

**DATE LABEL**

1 No \_\_\_\_\_

*Date*

∴ No.

UNIVERSITY OF KASHMIR  
LIBRARY

This book should be returned on or before the last date stamped above. An over-due charge of 10/20 Paise will be levied for each day, if the book is kept beyond that date.

THE JAMMU & KASHMIR UNIVERSITY  
LIBRARY.

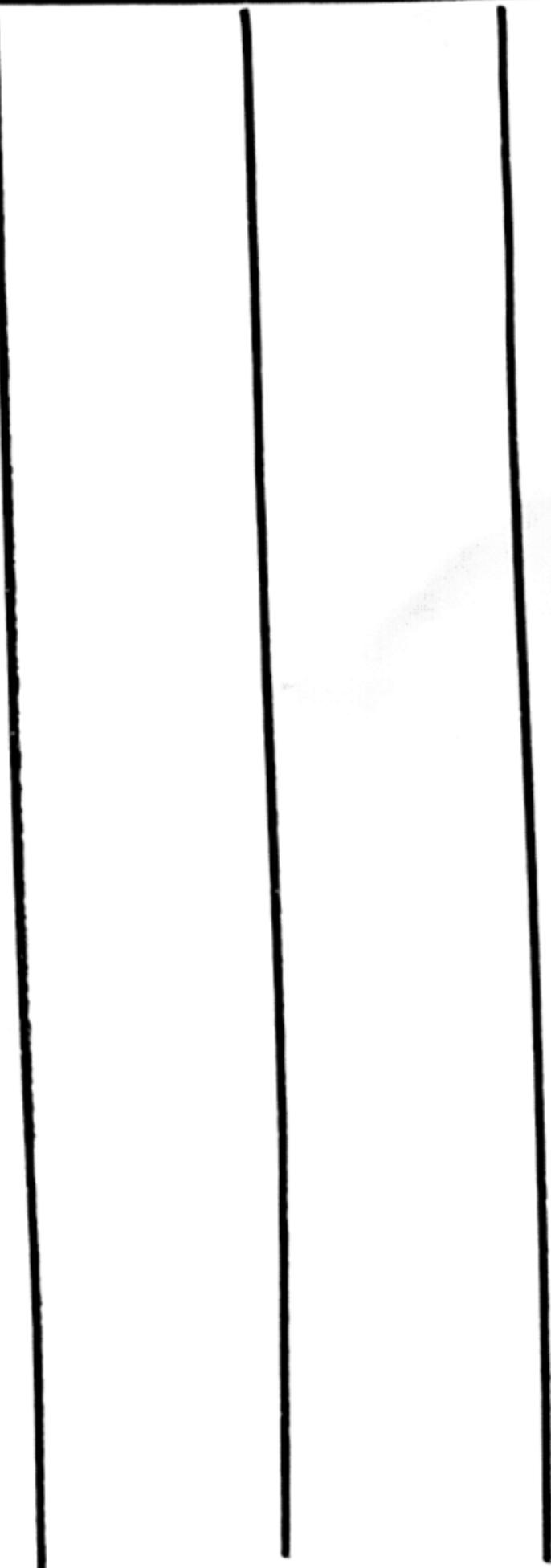
**DATE LOAND**

**Class No. \_\_\_\_\_ Book No. \_\_\_\_\_**

**Vol. \_\_\_\_\_ Copy \_\_\_\_\_**

**Accession No. \_\_\_\_\_**

---



**THE JAMMU & KASHMIR UNIVERSITY  
LIBRARY.**

**DATE LOAND**

**Class No. \_\_\_\_\_ Book No. \_\_\_\_\_**

**Vol. \_\_\_\_\_ Copy \_\_\_\_\_**

**Accession No. \_\_\_\_\_**

---

--	--	--	--

~~8577-(i\*)~~  
~~10.7.54~~  
~~Thru 10/77~~

MONOGRAPHS ON FUNDAMENTAL EDUCATION - II

- I. *Fundamental Education: description and programme*
- II. *Co-operatives and Fundamental Education*  
by Maurice Colombain
- III. *The Mexican Cultural Mission Programme*  
by Lloyd H. Hughes
- IV. *The Haiti Pilot Project: phase one, 1947-1949*
- V. *The Healthy Village: an experiment in visual education in West China*
- VI. *Progress of Literacy in Various Countries*
- VII. *Social Welfare Work in Jamaica*
- VIII. *The Use of Vernacular Languages in Education*

CO-OPERATIVES  
AND  
FUNDAMENTAL  
EDUCATION

by  
MAURICE COLOMBAIN



UNESCO PARIS

*Published in 1950 by the United Nations  
Educational, Scientific and Cultural Organization  
19 Avenue Kléber, Paris-16<sup>e</sup>  
2nd impression 1953  
Printed by Georges Lang*

Printed in France  
E D. 53.III.2aA

*Illustrations by Heiri Steiner*

ALLAMA IQBAL LIBRARY



8577

554  
0577  
3719  
CATALOGED BY  
F. O. S.

This is the second of a series of booklets, *Monographs on Fundamental Education*, to be put out by Unesco. Each book deals with a single topic or problem in the fundamental education field.

Passages from this book may be reproduced or translated, provided acknowledgement is made and a copy of the journal or book is sent to Unesco.

Correspondence about educational publications should be addressed:

The Director-General, Unesco, 19, Avenue Kléber, Paris, 16<sup>e</sup>, France,  
and marked : Attention : Education Clearing House.

## P R E F A C E

It is natural — but nevertheless pleasant to record — that a book on Co-operatives should itself be the result of co-operation.

When in 1948 Unesco began to plan background studies which might help fundamental educators, it soon became clear that attention should be directed, amongst other matters, to economic factors and forms of organization. A large number of questions are important — finance, the cost of buildings and equipment and so on — but co-operative organization was selected as the first topic because of its wide application. Co-operatives are not only a means of raising living standards (and hence of increasing the local revenue for schooling); they are also educational instruments of the highest order, living schools for the members of the community. On the other hand, few educators or teachers are aware of the widespread forms and the great possibilities of co-operation, and they tend therefore to overlook the natural link between school and co-operative.

To deal with this question, Unesco turned naturally for help to the sister organization, the International Labour Office. The ILO has, over many years, built up an important division of co-operation, and its services to officials and organizers are well known. Mr. Maurice Colombain had recently retired from the post of head of this division; he willingly agreed to make a study on Unesco's behalf, re-examining his subject from the point of view of the educator. The ILO gave Mr. Colombain every assistance in his undertaking, so that he was able to amplify his own experience and knowledge by reference to ILO documentation.

Unesco wishes to express its appreciation of this friendly collaboration.

It should be pointed out that the work is one of individual authorship, based on a brief prepared by Unesco. The views expressed in the book are not necessarily those of the Director-General of Unesco; nor do they in any way commit the International Labour Office.

THE JAMMU & KASHMIR UNIVERSITY  
LIBRARY.

DATE LOAND

Class No. \_\_\_\_\_ Book No. \_\_\_\_\_

Vol. \_\_\_\_\_ Copy \_\_\_\_\_

Accession No. \_\_\_\_\_

C O N T E N T S

Introduction. . . . .	9
<b>CHAPTER ONE : The problem of thrift and credit.</b>	
The Raiffeisen experiment. . . . .	17
The China International Famine Relief Commission . . . . .	22
A credit co-operative society in an Indian village. . . . .	30
Usury and indebtedness : credit unions . . . . .	31
<b>CHAPTER TWO : The problem of purchasing. . . . .</b>	41
Buying clubs . . . . .	43
A negro consumers' co-operative society in U.S.A. . . . .	46
Consumers' co-operatives in Ceylon . . . . .	47
<b>CHAPTER THREE : The problems of farmers, woodcutters and fishermen.</b>	
Stock raising . . . . .	50
Processing . . . . .	54
Woodcutters. . . . .	56
Fishermen . . . . .	61
<b>CHAPTER FOUR : The problems of industrial, cottage and craft workers . . . . .</b>	67
Some examples of primary co-operatives (Yugoslavia). . . . .	70
Some examples of integration (China, Madras, Indonesia, France) . . . . .	73
<b>CHAPTER FIVE : Health and hygiene.</b>	
The Yugoslav Health Co-operatives. . . . .	88
Experiment in Bengal . . . . .	97
Industrial hygiene — Shanghai . . . . .	102
Other countries. . . . .	103
<b>CHAPTER SIX : Co-operatives for the reform of customs. . . . .</b>	105
<b>CHAPTER SEVEN : Co-operative education and the training of leaders.</b>	
General aspects of the problem . . . . .	111
Three types of method for promoting co-operatives . . . . .	116

Some centres for the teaching of co-operation.	
Canada. . . . .	124
China . . . . .	130
Great Britain . . . . .	139
India . . . . .	142
Poland. . . . .	146
Sweden. . . . .	148
Switzerland . . . . .	151
U. S. A. . . . .	154
School Co-operatives. . . . .	156
Appendix I : Some Co-operative Documentation and Training Centres. . . . .	160
Appendix II : Suggested further reading . . . . .	166
Index . . . . .	168

## INTRODUCTION

Any programme of fundamental and adult education among backward or under-privileged communities is inevitably difficult and complex, since it is directed towards an indissoluble whole, in which ignorance, routine and poverty, sickness, lack of foresight and resignation, discord and, sometimes, demoralization resulting from the break-up of the social fabric, engender one another.

To spread education is indeed to open up the path to progress in methods and techniques; and this path can lead to economic progress, which is a favourable condition although not in itself sufficient for the exercise of moral virtues. But how are the poor, the hungry, the sick and the resigned to be educated? If this is difficult in countries where the individual lives and develops in a highly educational environment, how much more difficult it must be on the edge of the bush and the jungle. As Dr. Spencer Hatch has pointed out, 'spiritual, mental, physical, social and economic poverty' is a whole which must be attacked from all sides at once.

For this task of human rehabilitation the school is a necessary instrument, but it is not the only one. The main instruments of such rehabilitation — and in the first phase its principal obstacles — are the people actually concerned. Without them, their understanding, their desire to improve their conditions, without their co-operation, there cannot be any deep or lasting reform. The greatest problem, as well as the most fruitful achievement, of all reformers is the obtaining of such active consent and co-operation, for no efforts can really or permanently help those who do not wish to help themselves.

But how can the weak help themselves? The best, and perhaps the only, way is by helping one another. 'Help yourselves' and 'help one another' are the two principles applied by co-operative societies.

The principles and methods of such societies are now well established. They have been tested in time — for more than a century — and in space — in the various climates and geographical and human environments of at least a hundred countries. The latest international statistics, established by the International Labour Office more than ten years ago,<sup>1</sup> showed that there were

<sup>1</sup> International Labour Office. 'Co-operative Societies throughout the World: Numerical data'. Extract from the *International Labour Review*. Aug.-Sept. 1939, Geneva.

more than 810,000 co-operatives in existence with a total of more than 143,000,000 members spread over the five continents; and the figures have considerably increased since then. In Asia, where they were established less than 50 years ago, they numbered approximately 168,000 with almost 15,000,000 members. In Africa they are of more recent date, and were reckoned at about 4,000 with more than 330,000 members, including a large number of Africans.

The first advantages expected from a co-operative society for its members and for those around them are economic emancipation and improved living and working conditions, a decrease in usury and indebtedness, lower costs of production or consumption (by the joint purchase of foodstuffs and articles necessary for professional work), increased purchasing power of producers (by the organization of the market and by the offer, in uniform quantities, of products which have been classified according to kind and quality).

It should be noted that these advantages are not all, or not merely, the results of economic concentration. Some are due to technical progress and to improved methods of production which have been diffused through the association of persons (and not only through the undertaking).

On this point, we may quote the following extract from a study prepared by the International Labour Office.<sup>1</sup> Although it refers to rural co-operatives, it may be applied also *mutatis mutandis* to industrial co-operatives :

'The rural co-operative societies may be said to constitute the most convenient distributing system for conveying quickly to the agricultural population expert counsel and advice. For that advice is thus conveyed, not to isolated individuals, but to a permanent coherent group, whose activity continues and confirms that of the transient individual expert. They cease to be the bloodless precepts of academic theory and become the living, practical standards of education by experience. They cease, for the farmer, to be instructions, mistrusted because official, and perhaps also obscure; they become methods of action, used and recommended by his fellows, his friends, those to whom he has given his personal confidence and entrusted the direction of his community. Their acceptance may be attached as condition to the grant of credit, so that the borrower is obliged by his loan agreement to start off on the road of technical progress; or again, their faithful observance may be encouraged and rewarded by the higher price which the best disciplined farmers receive from the

marketing co-operative societies for the better quality of their products. It is no exaggeration to say that, both by the discipline they impose and by the means they offer of convenient submission to it (supply of selected seed, fertilizers, pest killers, equipment, technical advice, etc.), the co-operative societies are practical vocational schools; they teach the small-holder to save time and trouble, to improve the quality of his products and to market them in a way which reduces to a minimum the costs of grading, preservation, transport and sale.'

Many examples might be quoted as illustrations. On the Ivory Coast, co-operatives of African farmers have acquired presses and crushers for the preparation of palm oil. In French West Africa and in the French Cameroons, school co-operatives train children in various handicrafts and in the cultivation of rubber and of cocoa-trees. In Nigeria and the British Cameroons the Administration has, by means of co-operatives for cocoa fermentation, taught the people to supply the market with high-quality cocoa and to obtain better prices for it. In Tanganyika, a co-operative society gives training in the cultivation of coffee. The people of Kenya have discovered in the same way that cattle-breeding can serve other purposes than the traditional display of wealth, and that dairy products are of economic value. Credit co-operatives in Mauritius have encouraged their members, threatened by a sugar crisis, to go in for mixed farming. In India, it is largely owing to the co-operatives that the advantages of new methods of cultivation, new crops, artificial fodder and chemical fertilizers have been made known; they have led in Bengal and the Punjab to schemes of irrigation and consolidation of holdings, and in certain provinces to the organized sale of dairy produce, rice, tobacco, cotton and sugar cane. The co-operatives have supplied fertilizers to Indonesian sugar producers of the Malang region and have taught Indonesian fishermen to sell their fish. The same was done in the Philippines for the sale of rice, tobacco, hemp and cattle. In the West Indies, in Antigua, the co-operative movement has increased the production, and taught the methods of conservation, of maize. In Trinidad and Tobago, co-operators have learnt to produce cocoa which has become world-famous.

The part which can be played by co-operative societies has won for them a place in the general plans of governments anxious to remedy or improve economic and social conditions.

As an instance, in September 1948 the Indian Minister of Agriculture, in an address to a Conference of the Ministers of Agriculture of the States and Provinces of his country, said : ' We have in the villages of this country a lakh and a half (i. e. 150,000) of co-operative societies with a working capital of over

Rs 30 crores (i.e. 300 millions). Can we not mobilize all this manpower and divert the main energies of these societies to the programme of food production? Can we not utilize them as the agents of Government for such agricultural improvements as are independent of importation of foreign machinery or fuel oil or fertilizers which cannot reach us in due quantity and time? Can we not with their help stud the rural side with numberless small seed farms under registered growers so as to multiply improved seed in the briefest time possible and distribute it easily over the widest area? Can we not employ their services for our entire programme of green and dry organic manure and also such fertilizers as are to be used for the production of food? Will they not be the best instruments for a programme of loans for agricultural improvements borrowed from provincial Co-operative Banks, which would in turn receive advance from the Reserve Bank of India earmarked for agricultural research and reform to the semi-literate and illiterate cultivators? Cannot these co-operative societies be made use of for creating part-time staff who will receive training and in turn train the agriculturalists?'

The co-operative movement is therefore a necessary and effective instrument both for economic emancipation and recovery and for technical progress. Hence its value to those working in the field of fundamental education. But it can do more than help; by its nature it promotes all forms of education, and the history of the co-operative movement, both in the towns and in the country, shows that there is a natural affinity between the needs which give rise to the co-operative movement and educational needs. Apart from general reasons — rooted in the desire and hope for progress — there are more particular and practical factors. For the decision to establish a co-operative society or to join one, and the co-operation which is necessary for the running of it, require knowledge and a certain intellectual and moral standard : the members — or the majority or the best of them — must learn co-operative methods of thought and action; the administrators, managers, secretaries and treasurers must become familiar with the running of business, acquire a knowledge of book-keeping and even a certain degree of economic knowledge.

That is why the first concern of co-operators has always and everywhere been to procure for themselves and for their children the means of education. As soon as their first difficulties were overcome, the 'Equitable Pioneers' of Rochdale established a school for young people, then evening classes, at a time when the practice was not very widespread. Co-operators in India bound themselves to send their children to the school, to pay for its upkeep or to provide the teacher's salary; in Equatorial Africa,

the co-operatives built schools. The co-operative movement can be regarded as a firm ally in the struggle against ignorance and inertia.

But we must go further still : as an auxiliary to adult and fundamental education by its efforts on behalf of economic recovery, as their agent in opening up the way to technical progress, and as their confirmed ally in its aversion to all forms of ignorance, the co-operative movement can even be regarded as one of their methods. C. F. Strickland epitomized his long and fruitful experience of the co-operative movement in India, China, the Middle East, and Equatorial Africa in the words : ' Co-operation is Adult Education in the business of life. '<sup>1</sup> Henry W. Wolff had already said that ' Co-operation must be the educator of the poor, ' and Father Huss, spreading the co-operative message in the Transkei, in the Union of South Africa, called the credit co-operatives which he helped to establish ' popular schools. ' ' Their main aim, ' he said, ' is not to make money but to make men. '

All those who have thought about the co-operative movement are in agreement on this point. In a statement to the Canadian Committee on Reconstruction and Re-establishment, Dr. M. M. Coady, Director of the Extension Services of the St. François-Xavier University in Antigonish (Nova Scotia) declared : ' We have recourse to co-operation in the economic field as an instrument of education rather than as an economic instrument'.<sup>2</sup>

Experience has shown that among backward populations co-operative societies simply through their working, and independently of their economic results, have contributed to the intellectual, moral and civic training of their members.

To work, purchase, sell and create together is to think together, and to think together is to form communicable ideas, that is to say rational ideas. Scrupulously to observe statutes to the establishment of which one has contributed, or which one has at least discussed, understood and accepted, is to establish a new morality for oneself : it is not only to initiate oneself in the virtues of a living and voluntarily imposed discipline, but also to discover in oneself the foundations of responsibility and the true sense of freedom and human dignity. The co-operative movement frees its members not only from usurers and profiteers, but also from themselves and their bad habits. It teaches them virtues which are not always natural to them, such as orderliness, foresight,

<sup>1</sup> C. F. Strickland. Preface to the memorandum of the Fabian Colonial Bureau *Co-operation in the Colonies*. London, Allen and Unwin 1945.

<sup>2</sup> Special Committee on Reconstruction and Re-establishment. Minutes of Proceedings and Evidence No. 12, May 13, 1943. Ottawa, 1943.

punctuality and a strict respect for engagements entered into. Lastly, by giving them the occasion consciously to shape their economic life; by creating a new system of constraints freely worked out and consented to, which deliver them from social constraints either odious or void of meaning; by placing them without distinction of class or sex within a simple framework of self-government in which they become familiar with democratic procedures, it trains them in their civic duties, reconstitutes a new social fabric which prolongs or replaces former forms of collective life gradually dying out, and, without destroying what is original and fruitful in their national culture, tends to establish a natural and free communication between that culture and the modern world.

A comparison of its work with that of fundamental and adult education thus shows the co-operative movement in its true nature, particularly when we consider its action among backward or economically and socially depressed groups of human beings. Although its importance in the economic field is far from negligible, it is particularly deserving of consideration as an educational movement. An eminent British co-operator wrote : ' It has been rightly said that co-operation is an economic movement which makes use of education, but it is possible to turn the statement the other way round and to say that co-operation is an educational movement which makes use of economic action. ' <sup>1</sup> Likewise, Dr. Fauquet : ' The first aim of the co-operative institution is to improve the economic situation of its members, but, owing to the methods it employs and the qualities which it requires of its members and which it develops in them, it aims at and achieves a higher goal : to make men responsible and mutually dependent so that each may fully develop himself and so that all may enjoy a full social life. ' <sup>2</sup>

In underdeveloped regions and communities the identity of incentives, aims and methods for co-operative and educational activities is such that a close collaboration is both necessary and natural. With this in mind a set of reports were gathered for Unesco's Division of Fundamental Education; the purpose being to provide the Clearing House with descriptions of complete experiments made in various parts of the world. This documentation was regarded as extremely important, since it would enable Unesco to supply specialists and field workers in fundamental education with material which might stimulate and guide them in their difficult task

<sup>1</sup> W. P. Watkins, 'Co-operative Education and World Civism', in the *Review of International Co-operation*, May 1933.

Fauquet, Georges, *Le secteur coopératif essai sur la place de l'homme dans les institutions coopératives et sur la place de celles-ci dans l'économie*. La Louvière, Imprimerie coopérative ouvrière, 1935.

## INTRODUCTION

Unesco has neither the organization nor the means for obtaining complete technical data on co-operative experiment. The aim of the reports was simply to draw attention to examples and methods and to put educators in touch with the sources.

About forty-five reports were prepared, some on the basis of personal observation, but most of them with the consent of the Director-General of the International Labour Office on the basis of documents which that Specialized Agency has collected during the last thirty years. The items were chosen more or less empirically without any effort to achieve an exact balance; they do not pretend to give a complete picture of co-operative experiments in regions where the need for fundamental and adult education is most felt. Each item was selected on its own merits : either because of its interest in some particular environment or because of its content and form.

The reports were not at first intended for publication. But when grouped according to the main problems they dealt with they appeared to include a wide range of forms and of regions, and to have the makings of a small reference book — the present monograph — which may well be of use to those who seek means of helping men to help themselves towards a better life.

**THE JAMMU & KASHMIR UNIVERSITY  
LIBRARY.**

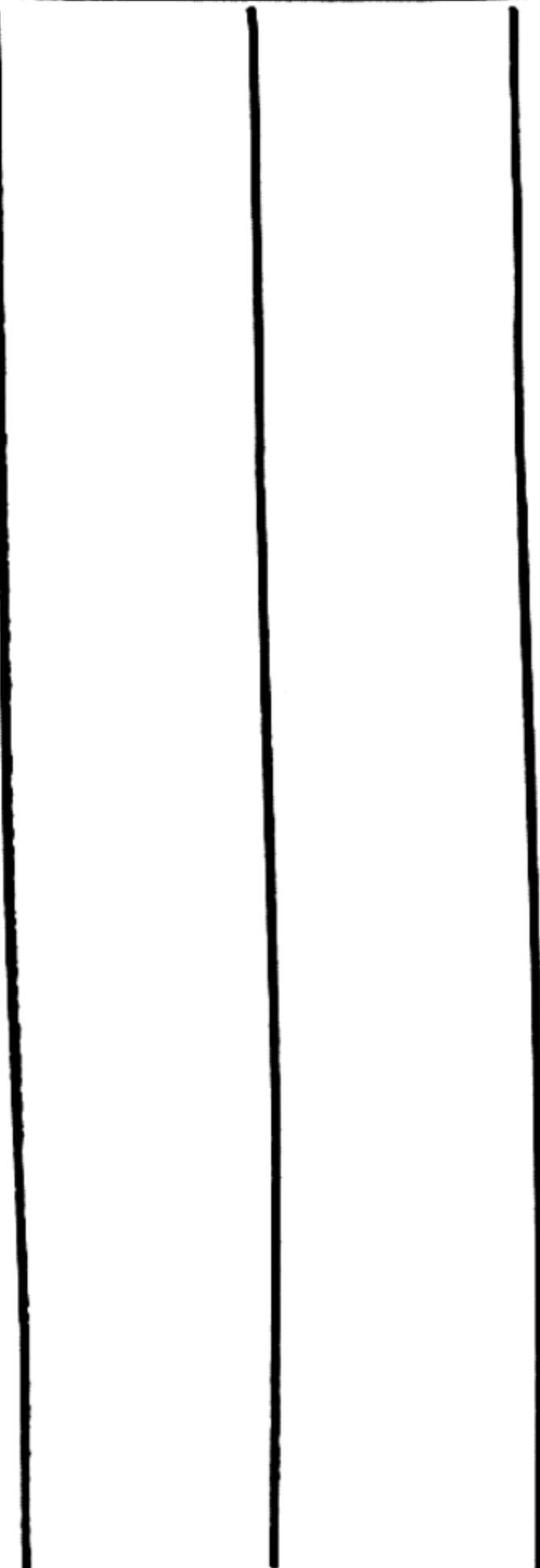
**DATE LOAND**

**Class No. \_\_\_\_\_ Book No. \_\_\_\_\_**

**Vol. \_\_\_\_\_ Copy \_\_\_\_\_**

**Accession No. \_\_\_\_\_**

---



## THE PROBLEM OF THRIFT AND CREDIT



### RURAL CREDIT CO-OPERATIVES : THE RAIFFEISEN EXPERIMENT

This is a very old experiment, which originated in certain tiny districts of the German Rhineland, but it is still going on today in almost all the countries of the world. It is still applicable, for it developed in an economic and social environment which is in many respects comparable to the present situation of certain unfortunate peoples. It is particularly instructive, as it combines all the elements of an original, tentative experiment with the possibility of subsequent improvements.

#### *The economic and social environment*

The Westerwald, a high plain situated between the Rhine and some of its tributaries, is a rugged and rather unproductive district. At the time of the experiment which is described below, only underfed cattle and meagre fields of rye, buckwheat and potatoes were to be found there. The means of communication were scanty. The peasants, under-nourished, ill-clad, and poorly

housed, were at the mercy of the usurers. Their dwellings were mortgaged, their hungry cattle in the hands of the money-lenders.

Poor crops made the winter of 1846-1847 a winter of famine. The peasants' chief meal consisted solely of chicory and sauerkraut.

### *The first measures*

William Raiffeisen was then the burgomaster of Weyerbusch, in that region. It is worth noting that he turned his attention first to reconstructing the school, repairing the communal roads and byroads, and building new ones.

When the famine arrived, he established, with the help of some of the more prosperous inhabitants, a *consumers' co-operative*, which was administered on a non-profit basis. This co-operative obtained cereals and potatoes. A bakery was built and was soon able to supply the poor with bread at less than the current price (and the price of bread fell everywhere in the region). By means of a similar collective effort, seed was bought in the following spring, and the peasants were able to obtain it without contracting debts.

The crisis was thus overcome. But Raiffeisen realized that the plight of the people in his district, though aggravated by the famine, was really due to a permanent cause : indebtedness. Moreover, the success of the consumers' co-operative had opened his eyes to the value of co-operative effort.

At Flammersfeld, where he became burgomaster at the beginning of 1848, he began to put his ideas into effect. To combat the usurious cattle dealings, he established in December 1849 the *Flammersfeld poor peasants' relief society*. For this purpose he recruited sixty inhabitants who had private means and were willing to guarantee, jointly and severally, the society's debts, to the extent of the whole of their property. So one of the fundamental principles of the Raiffeisen doctrine came into existence, born not of theoretical views but of necessity.

The society purchased cattle which were then sold to the peasants on a deferred payment system, usually covering a period of 5 years. This solution was not entirely satisfactory. It was too complicated; and it was incomplete, as it did not meet all the legitimate claims for credit.

The decision was then taken to give the peasants facilities for obtaining cash loans. A sum of 2,000 Thalers was procured — not without difficulty — from a capitalist in one of the Rhenish towns, but thanks to the unlimited joint and several liability of the members, the 'relief' society was then able to begin to operate as a 'lending bank', and soon also as a 'savings bank'. The benefit to borrowers was of course immediate; the effect was also

felt throughout the region, for professional money-lenders were obliged to offer more reasonable terms.

In spite of the success of the undertaking, the principle which it embodied was slow in gaining ground : the idea of unlimited joint and several liability, then quite new, ran counter to the instinctively distrustful attitude of the rural population. Moreover, it should be observed that the lending-bank retained the character of a relief fund in this sense that its members were at that time the lenders but not the beneficiaries. The idea of mutual assistance had not yet replaced the idea of charity.

Raiffeisen had to wait nearly five years before he was able to renew and to improve on his experiment. This he did in Heddersdorf, to which he was transferred as burgomaster in April 1852. Grouping together fifty-nine men of his district, he founded the *Heddersdorf Benevolent Society*. This third foundation possessed two new characteristics. At the beginning, at any rate, it was a 'multiple purpose' co-operative, whose activity extended beyond the economic to the moral, social and cultural sphere. It provided aid and education for homeless children; employment for the unemployed and for released prisoners; it instituted popular libraries. This first characteristic was the outcome of the moral preoccupations of the promoter, and such preoccupations have continued to be the central interest of a large number of the co-operatives set up as a result of these first efforts. The other characteristic caused a veritable revolution : for the first time, the society's statutes declared *the indivisibility of its own capital*.

#### *The first rural credit co-operative*

Experience showed that the proposed activities could not be directly combined in the same association and governed by the same statutes. In 1864, the former 'Benevolent' society was replaced by the 'Lending Society' (*Darlehenskassenverein*). The statutes of this new society retained only the lending activity and gave rise to another fundamental change. More and more convinced of the strength which the weak could derive from communal effort, Raiffeisen decided to abandon all forms of private or public aid, and to set up a credit bank founded on the double principle of self-help and mutual aid. Henceforth the poor themselves had to unite in order to meet their legitimate needs for credit.

#### *The 'Raiffeisen principles'*

Thus, by dint of successive experiments, Raiffeisen succeeded in giving final shape to his formula, which may be summed up as follows :

1. unlimited joint and several liability of the members;
2. limitation of the society's sphere of activity (a single commune or a small number of communes);
3. free discharge of administrative duties (only the cashier is paid);
4. very small shares;<sup>1</sup>
5. exclusion of any form of dividends and returns;
6. constitution of the society's own indivisible capital;
7. grant of credit to members only, and against good security.

### *Expansion*

The movement launched by Raiffeisen developed slowly at first. However, in Germany alone, the rural credit co-operatives numbered 245 in 1885; in 1891 there were 885; in 1938 more than 1,800 with a total membership of 2 millions.

Before the last war, it was reckoned that there were about 190,000, in 54 countries, being used by more than 17 million farms. They are the most widely-spread form of co-operative, not only in Europe but also in Africa, America and particularly in Asia, where their number exceeds half of the world total.

### *Economic and social value of the rural credit co-operatives*

In diminishing the activity of usurers, the credit co-operatives have been more effective than the laws against usury, which can so easily be evaded with the complicity of the borrowers. But for the co-operatives, the usurer would, in many countries, be the only dispensers of the necessary credit. Where he still exists, however, the usurer is generally not only a lender; he is also the village merchant; he collects and sells the crops of his debtor-clients and also supplies them with the commodities, seed and fertilizers which they need. If he is to be got rid of, a substitute must be found, not only to give credit, but also to fulfil all the useful functions he exercises.

Raiffeisen was well aware of this need. He therefore began by making his institutions fulfil several different functions, and later encouraged the setting up, in connexion with the credit co-operatives, of other co-operatives with complementary activities. Subsequent experience has confirmed Raiffeisen's conclusion in both its aspects. On the one hand, the rural credit co-operatives often have to procure for their members certain articles which all of them need, or to help them to find a market for their products; on the other hand, when these complementary activities

<sup>1</sup> Raiffeisen himself rejected the idea of shares, as he considered that the unlimited joint and several liability of the members should suffice to procure for them the necessary borrowed capital. In fact, the first credit banks operated without shares. The latter were gradually introduced as a result of legal findings and were sanctioned by legislation.

reach a certain volume, particularly when they involve the setting up of a store, it is necessary to establish one or more distinct co-operatives for these purposes, as the grant of credit must remain separated from the commercial activities.

The great virtue of the rural credit co-operative is not only that it enables poor peasants to obtain credit but also that its lending activities are carried out with moderation and discernment and subject to conditions, that is in a manner likely to check rather than encourage indebtedness.

It exercises this function wittingly, for all its members know each other and are able to estimate the real needs and the solvability of each member, and to verify that the loan granted is used for the purpose for which it was asked. Moreover, the co-operative acts prudently, for its debts are guaranteed by the unlimited joint and several liability of all the members of the society.

In rural credit co-operatives which are well administered each loan is therefore calculated in such a way that its use will supply the borrower with the means for repaying it. The loan may be granted subject to certain conditions : it may be dependent on the borrower's having made previous efforts to save money; or it may involve an obligation to use a particular type of seed that has been selected, or to dress the fields in a certain way, etc.

Thus, the rural credit co-operatives not only free the borrower from the toils of the usurer; they may also free him from his own bad habits or from routine, induce him to become punctual, to save his money and to exercise foresight, and train him to adopt better technical methods. They are valuable not only from the point of view of economic development but also, simultaneously, from that of education.

### *Some references*

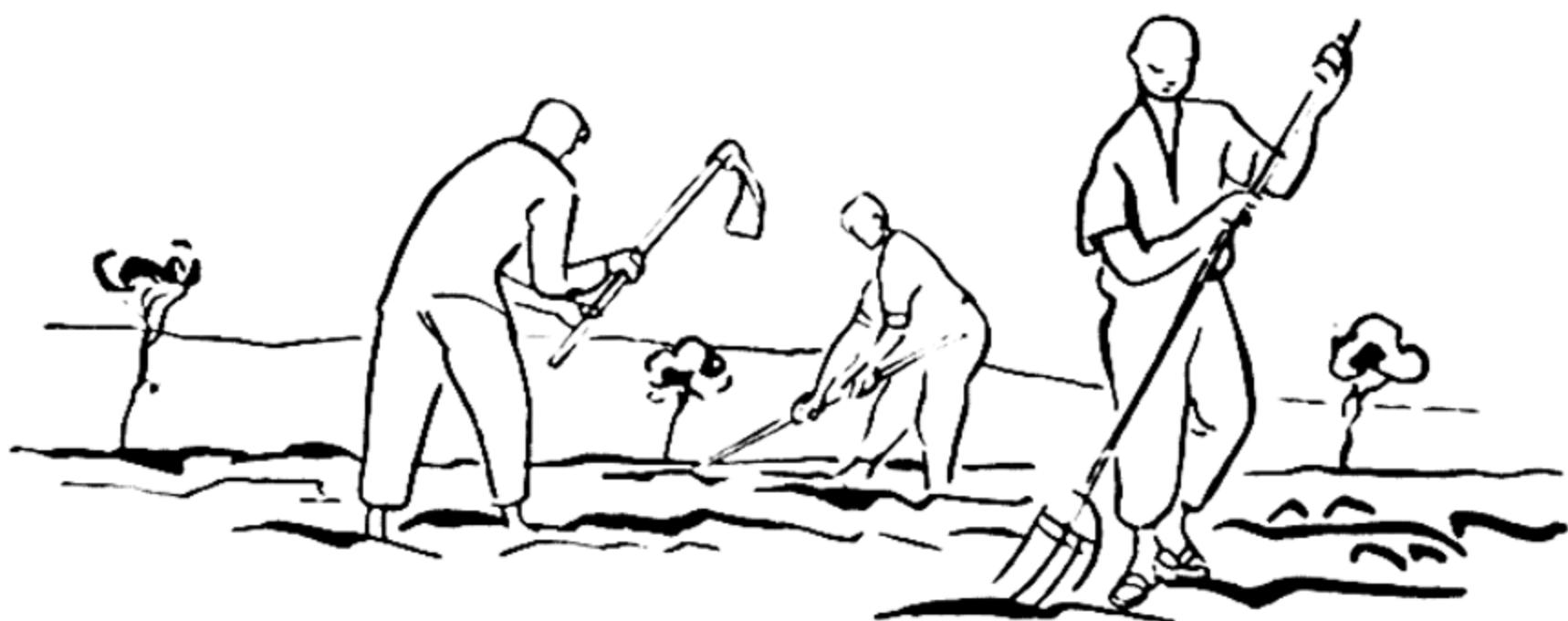
Books and articles on credit co-operatives of the Raiffeisen kind are extremely numerous. It may be sufficient to mention the following :

F. W. Raiffeisen. *The Credit Co-operatives* (Die Darlehenskassen-Vereine) (1st. ed. 1866) 6th. ed. Berlin, 1923. XXIV, 267 pp.

Henry W. Wolff. *People's Banks*. P. S. King and Son, London, 1919, 452 pp.

Dr. F. J. Stadelmann. *Frederick William Raiffeisen* : his life and work. St. Gall, 1930, 61 pp. (This book has also been published in German. Same date.)

Among the faithful repositories of Raiffeisen's ideas and experience, one of the most accessible is the Swiss Union of Credit Banks (Verband Schweizerischer Darlehenskassen) (Raiffeisen System), St. Gall, Switzerland.



## THE CO-OPERATIVE AND EDUCATIONAL WORK OF THE CHINA INTERNATIONAL FAMINE RELIEF COMMISSION

The history of the China International Famine Relief Commission is one of relief work which soon developed into preventive action and where the co-operative idea was discovered and applied. During this development, by daily contact with real problems, the principles and methods which have led to the building up of the large scale co-operative movement of a great country were gradually worked out.

### *The problem*

The China International Famine Relief Commission (CIFRC) was set up at the time of the famine due to the 1920-21 drought, which started in the five provinces of northern China and affected some thirty million people. Later, in 1933, its help was again necessary as a result of the Yellow River floods.

Its purpose was to decrease the frequency of famine and the high cost of relief. The working programme, as described in a bulletin published on 1 November 1939,<sup>1</sup> throws light on the way in which it viewed the problem it was tackling.

This programme comprised firstly, and as a matter of course, measures for immediate relief : popular kitchens, distribution of cereals, food, money (usually in return for work done), medical attention, etc.

But the main emphasis was placed on *preventive measures* : "A much better means of fighting famine, and which can be used before it begins, is the using of relief funds for measures of a constructive nature... The end to be achieved is, above everything else, the affording of a means of livelihood to the populations suffering from famine, mainly by giving them work which will help

agriculture and thus guarantee, increase and improve the production of food...

‘Such employment can comprise the building of irrigation canals and drains, the sinking of wells, the dredging of streams, the erection of dykes, the building of roads.’

Other constructive proposals were to introduce more scientific agricultural methods, and, for that purpose, to develop popular education; to establish model farms, distribute books and pamphlets of a practical kind, form a rural *élite* by means of agricultural courses, and so on.

‘But agricultural progress is almost impossible without a reasonable improvement in economic and social conditions.’ According to the Commission, this improvement will be brought about by the various kinds of co-operatives : credit co-operatives, consumers’ co-operatives, rural supply co-operatives. The Commission also mentions the encouragement of village and cottage industries. To carry out the programme, the Commission devoted considerable funds and time to the construction of irrigation canals, roads, dykes, etc., detailed information as to which need not be given here.

In 1922 there was established a Committee on Credit and Economic Improvement : after studying living conditions in the Chinese rural districts, and the methods employed in other countries to improve similar conditions, this group decided to set up in 1923 a Sub-Committee on Rural Co-operation.

## THE ACTIVITY OF THE SUB-COMMITTEE ON RURAL CO-OPERATION

### *Approach*

The Committee on Credit and Rural Improvement concluded that the root of the evil was usurious rate of interest <sup>1</sup> and the accumulated indebtedness, which condemned the peasants to ruin and their farms to a steadily diminishing production.

In order to remedy this evil and to counteract the tendency of monetary resources to ebb away from country districts into the towns, the Sub-Committee on Rural Co-operation was asked to prepare a plan which would lead to the establishment of rural credit co-operatives of the Raiffeisen type.

<sup>1</sup> The legal rate was 20 per cent. But, owing to the lack of punctuality of the borrowers, the lenders, getting round the law by subterfuge, covered their risks by rates as high as 100 per cent or over.

*Adverse circumstances*

The Committee encountered a number of special difficulties, which make the experiment all the more instructive.

1. The task was complex, involving the work of promoter, organizer and banker.
2. Those who were to carry it through had no practical experience.
3. The financial means at their disposal were modest (five thousand dollars granted in June 1922 by the Executive Committee of the CIFRC).
4. It was an almost virgin field. Apart from a few scattered and intermittent efforts (of which the most notable were started by Shanghai University), the co-operative movement had scarcely begun in China. The very word 'co-operation' was generally unknown, and the Sub-Committee on Rural Co-operation had to take considerable trouble to make clear the exact nature of its activity and to dispel the illusion that co-operation was a form of philanthropy or politics.

These circumstances led the Sub-Committee to start with a small-scale experiment which was developed slowly and cautiously.

*The method*

Just as the first step taken by the members of the Sub-Committee to equip themselves for their task had been to study the principles and methods of the Raiffeisen co-operatives, so their first step towards contact with the people among whom they were to work was to provide them with the means of learning, thinking for themselves and organizing themselves. For this purpose a Model Constitution for Rural Co-operative Credit, Savings and Marketing Societies was published and disseminated in April 1923.

It is interesting to note that, contrary to the usual practice, the Sub-Committee bore in mind the peasants' distrust of anything new and foreign ; at first they made no attempt to proselytize. The model constitution and the principles embodied in it were simply brought to the knowledge of the peasants. Comments and persuasive efforts were left to the discretion of local leaders in the villages.

The propagandists, who came forward spontaneously, were strengthened in their knowledge and enthusiasm by their contacts with the initiators and by pamphlets which were given to them.

When, after lengthy discussion, some of the peasants voluntarily accepted the idea and made themselves familiar with the model constitution, they formed themselves into a society based on this constitution.

It was then that CIFRC (through its Sub-Committee) endeavoured to exert its influence and lend its help. This help was not yet of a financial nature. It took the form of a careful supervision. Each society that was formed was enabled to complete its co-operative education; it received pamphlets and a monthly bulletin; the members of its committee were invited to participate in a year's training course.

A society was only qualified to ask CIFRC for a loan when it was 'recognized' — that is, when the good faith of its members had been put to the test over a long waiting period (sometimes a year), and a CIFRC inspector had reported that it was firmly and permanently organized.

The inspectors made regular visits to the co-operatives, looked into their affairs and suggested improvements. The co-operatives had to give CIFRC a monthly report, in the form of answers to a questionnaire. As soon as the co-operatives came into existence and began work, they were classified in five categories according to the capacity they had shown for dealing with their affairs, and according to the importance of their work and of their influence in the general life of the community (education, hygiene, reform of bad habits, public works, etc.). This system, which is also in force in India for example, completes, ratifies and guides the supervision exercised by the inspectors.

#### *Credit and savings*

The loans obtained from CIFRC by the co-operatives enabled the latter to make loans in turn to their members. The rate of interest charged by CIFRC could not exceed 7 per cent, and the rate which co-operatives could ask from their members was fixed at a maximum of 12 per cent.

The amount of the individual loans, particularly during the first years, was small; which proves that the loans were made to the very poorest members of the community. The following, for instance, is the allocation, according to amount, of the 3,750 loans granted between 1924 and the beginning of 1928 :

557	peasants borrowed from their society less than \$ 10 each				
2,223	—	—	—	20	—
421	—	—	—	30	—
157	—	—	—	40	—
105	—	—	—	50	—
107	—	—	more	50	—

The total amount of the loans granted by CIFRC during this period was 87,253 dollars. According to the Commission's report (November 1928), this sum, at the rate of interest obtaining in the districts in question, would have earned in three years

94,233 £ interest, whereas, at the rate of 6 per cent, charged by the Commission, the same sum brought in only 15,705 dollars interest for the same period. In other words, the borrowers would have had to pay 78,527 dollars more if they had borrowed the money from the moneylenders in their villages. 'This difference,' the report points out, 'would suffice to feed approximately three thousand persons, on the local standard, for a whole year.'

It is of interest also to examine the allocation of the loans granted, according to their purpose, and to observe the manner in which this allocation developed.

In the Hopei province, where rural credit co-operatives were first established, approximately 40 per cent of the loans granted from 1924 to June 1925 were intended for agriculture (seed, fodder, fertilizers, live-stock and farm implements), 20 per cent were for the repayment of existing debts, 40 per cent for aiding cottage or village industries and for meeting a few personal needs. Eleven years later, for the same province, the CIFRC report showed that 64.6 per cent of the total amount of the loans was used for agriculture (of which 22 per cent for the purchase of live-stock, and 16.8 per cent for fertilizers), about 13 per cent for house repairs and only 0.98 per cent for the repayment of existing debts.

The use made of the loans was controlled by the co-operatives and their members, as well as by the CIFRC, to which the co-operatives were bound to make a report on this point as well as on others.

At the same time as loans were granted, a savings system was organized. Special rules for this were published along with the model constitution of the co-operatives. A steady annual increase in savings proved that poverty was decreasing and that the CIFRC was successfully maintaining in the villages, at the disposal of the peasants, the funds that formerly ebbed away towards the towns. It also shows that, although the lure of credit facilities may have played a large part in attracting the peasants to the co-operative movement, they were clearly also capable of foresight and mutual assistance.

There are other indications of this desire for mutual assistance. Even during the first years 24 per cent of the members of the credit co-operatives did not ask for loans. The annual reports of CIFRC show that 20 per cent of the shares in the first years and as many as 33 per cent in 1936 (in the Hopei province) were voluntarily subscribed in addition to those which had to be bought to acquire membership. The reports also show that members were remarkably punctual in paying back the advances made to them.

### *Other co-operative activities*

CIFRC devoted its first and main efforts to the organization and working of the rural credit co-operatives. But as early as 1928 it encouraged, in the Hopei province and later elsewhere, the sale of agricultural products, chiefly cotton, on a co-operative basis. In 1932, the Sub-Committee on Rural Construction worked out a general plan for co-operative activities of sale and supply in the rural communities already organized. The travelling agents of the Commission were instructed to help the peasants in this respect.

Moreover, the 'recognized' credit co-operatives had been gradually permitted to organize collective granaries (not only as a means of protection against famine but also to enable sale to be regulated according to demand) and also to arrange the sale of their products. In 1936, in the Hopei province alone, 1,217 credit co-operatives were also engaged in providing supplies, 1,152 looked after the sale of products, and 12 had organized collective granaries.

### *Social activities*

The co-operatives have grappled with gambling and intemperance, and endeavoured to bring about reforms of the expensive customs relating to marriages, funerals and other ceremonies. They have sunk wells, constructed and repaired roads and bridges. They have introduced vaccination into the villages, established elementary schools (which are also open to the children of non-members) and encouraged the adults themselves to attend them in their leisure hours. CIFRC has progressively increased circulating libraries. The 1936 report on the Hopei province shows, for instance, that 194 co-operatives had founded schools for men and boys, 29 had founded schools for women and girls, 139 encouraged the referring of disputes to arbitration rather than to the courts of law, 158 planted trees, 146 constructed roads, 91 devoted themselves to the improvement of farming methods, 66 organized mutual assistance in tilling the soil, 45 attended to public hygiene, and so on.

### *Co-operative training*

In spite of frequent visits by the inspectors and the distribution of publications, experience soon showed that the co-operators and those in charge of them needed a more thorough instruction in co-operative theory and practice. For this purpose CIFRC has taken measures, varying according to the province, the period and the needs concerned. It organized Co-operative Training Schools

during the winter months. The first was established in Peking in November 1925, and was attended by 104 delegates of 54 co-operatives already formed or in process of being formed.

Courses of this kind, lasting for a week, increased in number and were held in various districts. At first they were organized and financed by the Commission. By degrees the societies took over responsibility both for the organization and for the financial commitments.

During the financial year 1935-36 in the Hopei province elementary schools were organized in 93 sections. They were attended by 6,863 members of 1,899 societies. Eight sections also opened schools for teachers. They were attended by 214 persons. Special schools were opened for work in the regions flooded by the Yellow River.

### *Results*

In December 1923, eight credit co-operatives had been set up, though none of them had yet been recognized. They had 262 members in all. In December 1936, in the Hopei province alone, there were 3,214 co-operatives (1,021 of which were recognized), with a total membership of 66,266 (of which 27,728 belonged to the recognized co-operatives).

Between these two years, and in the same province, the total resources of the co-operatives rose from 286 dollars to 1,150,816 dollars. The loans, advanced for the first time in 1924 to 9 recognized co-operatives, reached a total of 3,290 dollars. For 1936 they reached the sum of 104,760 dollars, and for the whole of the period in question they totalled 796,560 dollars.

The savings deposits and current accounts also increased in a significant way. In the Hopei province (the province in which CIFRC's work has lasted the longest), they represented approximately 2.5 per cent (291 dollars) of the total resources in 1925, and 11 per cent (127,866 dollars) in 1936, excluding the supplementary shares, which are also a form of savings.

CIFRC's work has been both direct and indirect. At the beginning it was not always favourably viewed by certain provincial governments. But when the value of its work became clear and its technique was firmly established, several governments interested in rural reconstruction asked for the Commission's help, borrowed its publications and frequently requested the services of its already experienced staff. Before there was any co-operative legislation (which was only introduced in 1934 and put into force gradually from 1 September 1935 onwards) the model of the constitution prepared by CIFRC was used in establishing the co-operative organizations in the different provinces.

It would scarcely be an exaggeration, therefore, to attribute to the work and influence of CIFRC a great many of the 26,224 co-operatives which existed in China in 1935, with a total membership of 1,004,402 persons.

Of these co-operatives, 59 per cent were credit co-operatives, 9 per cent farm co-operatives for the sale of products, 9 per cent co-operatives for production, 4 per cent service co-operatives, 3 per cent co-operatives of supply, and 15 per cent co-operatives engaged in various activities.

From March 1936 onwards, the co-operative activity carried out by CIFRC in the four provinces of Anhwei, Honan, Kiangsi and Hopei was transferred to the Co-operation Commission of the National Economic Council, a body set up in 1933 to prepare, co-ordinate and execute a vast reconstruction programme. Likewise, under the terms of an agreement between CIFRC and the Rural Co-operation Commission of Northern China (a government body), the latter was to assume gradually the co-operative responsibilities of the CIFRC in the Hopei province.

From 1936 onwards, the CIFRC was in fact anxious to leave the task of developing the co-operative movement to the public authorities, and to limit itself to purely experimental activities with a view to discovering and testing new formulae.

In 1935, a Co-operation Department was set up in the Ministry of Industry, under the direction of the former Executive Secretary of the CIFRC. Later, this Department became the Central Administration of Co-operation, attached to the Ministry of Social Affairs.

The State worked closely with the Chinese Co-operative League, founded in 1939. Such administrative action, the financial aid of a growing number of banks, and the support of many cultural and social organizations (such as the Mass Education Movement, the University of Nanking, the Nankei Institute, the Choping Agricultural College, the National Christian Council) all helped the co-operative movement to increase its membership considerably.

In April 1948, the movement included 162,414 primary societies with 22,952,000 members. The rural credit co-operatives, which are the most numerous, represent only a little over 30 per cent of the total, on account of the even more rapid development of the co-operatives for agricultural production (22.3 per cent) the consumers' co-operatives (13.8 per cent), the co-operatives for the sale of agricultural products (13.7 per cent), the co-operatives of supply (10.3 per cent), etc.

Finally, the importance attached to the development of the co-operative movement has found expression in the Chinese

Constitution, which provides in particular that 'co-operative societies should be encouraged and protected by the government.'

*Some bibliographical references*

*Industrial and Labour Information* (International Labour Office), vol. xvi, No. 11, December 1925.

*Co-operative Information* (International Labour Office) (China : The farm credit co-operatives wage war against famine) 1929, No. 1.

The publications and annual reports of the China International Famine Relief Commission.

### A CREDIT CO-OPERATIVE SOCIETY IN AN INDIAN VILLAGE

Bhuvel, in the State of Baroda, is a village resembling thousands of other Indian villages. Its Co-operative Credit Society was registered in 1913 and had to overcome various difficulties, especially in the early stages. The hold of moneylenders in the village was so great that people were afraid even to sign the application for the registration of the society.

It managed, however, to start with a membership of 31, which has increased to 109 (1945-46) — almost the total number of land holders in the village.

*Thrift, insurance, credit*

In order to encourage the habit of thrift among its members the society has established a system of compulsory deposits, provident deposits and insurance deposits.

For the last few years resources have been sufficient to meet all the credit requirements of the members without having recourse to the district or regional co-operative bank. Loans up to 500 rupees are usually granted on personal security; for important loans landed security is needed. During 1945-46 loans granted amounted to 34,011 rupees, mostly for current agricultural operations.

*Other activities*

During the war the society undertook to supply food, kerosene, cloth and other rationed articles to members and non-members. In 1945-46 trade in these commodities amounted to 30,280 rupees. Some 2,000 maunds of oil cake were supplied to the farmers.

The society contributes annually out of its surplus towards the maintenance of a local dispensary and a local library.

### *Results*

In 1946 deposits from members and non-members amounted to 21,955 rupees and 37,642 rupees respectively, a total of 59,597 rupees. Small as the sum may appear to be it is evidence that capital may be formed through accumulation, even in a poor village.

The influence the society has exercised on its members has reduced expenditure on ceremonies to a minimum.

By 1946, 65 members had insured their lives with the Baroda Co-operative Insurance Society.

Since the beginning the society has advanced loans amounting to 218,845 rupees for the settlement of old debts. Money lenders have lost their hold over the villagers. Most of them have left the village; those who remained lend to the people on reasonable terms.

### *Observations*

The society admittedly owes much of its success to the personality, devotion, and hard work of its secretary, the former teacher of the village school.

So far, only persons with landed assets have been eligible for membership. This is likely to have made management and financial stability easier, and may be acceptable for a start. But it also shows an important gap in the part that the co-operative should play in the village : all persons with good character and industry — and consequently repaying capacity — should be in a position to join.

## USURY AND INDEBTEDNESS : CO-OPERATIVE SAVINGS AND LOAN ASSOCIATIONS FOR WAGE EARNERS : UNITED STATES OF AMERICA

Usury and indebtedness are rampant in industrial and urban centres among wage earners as well as in rural areas among peasants.

They raise problems and situations which need no more striking illustration than the following story :

'An extreme example of the misery that can be caused by the combination of an unwise borrower and an unscrupulous lender came to light recently in an eastern city. A housewife was

induced by a friend to borrow \$50 from an illegal lender. The interest agreed upon was \$10 — or 20 per cent — a week. That was the beginning. At the end of a week she was unable to repay the loan. This brought her debt to \$60. At the end of two weeks she owed \$72. At first the lender did not seem to mind. He encouraged her to borrow more. Then, as the debt grew, he began to bring pressure. In desperation the housewife began to cast about for ways to obtain money. She withdrew money illegally from her brother's savings account. She forged \$2,500 worth of U. S. postal certificates belonging to her mother.

But the interest mounted faster than she could obtain funds. At the end of two years she had paid a total of \$4,395 on actual borrowings of \$250, and she still had not repaid the debt when she was arrested by federal authorities for forgery and conspiracy.<sup>1</sup>

#### *The roots of the problem*

'Usury' said Roy F. Bergengren, 'is a result. It is the result of a combination of two circumstances — a need of credit, generally acute, coupled with a breakdown of credit facilities at normal rates of interest.'<sup>2</sup>

#### *The need of credit*

The story quoted above does not tell whether the credit need of the housewife was legitimate, but such legitimate need does very frequently exist. There are the sudden and heavy expenses that low-income people cannot meet with cash. It may be, for a young married couple, to buy furniture. It may be to face some emergency : sickness, accidents, maternity, unemployment, death. It may be to improve a family's material circumstances : to buy, build, maintain, or repair a home or simply to buy a sewing machine. It may be to send a promising boy or girl to school, to help a friend or a member of one's family out of some difficulty.

Evidence of such need is shown by the large number of borrowers in the low-income category. An inquiry carried out in Boston in 1915 showed that 1,200 employees of the city had loans with moneylenders and that every week about 100 workers lost half a day's work in order to attend legal proceedings instituted by moneylenders.

It has been estimated that in 1926 15 per cent (\$14,000 million) of all retail purchases in the USA were bought on the

<sup>1</sup> Maxwell S. Stewart. *Credit Unions — The People's Banks*. Public Affairs Committee, New York, 1940.

<sup>2</sup> *International Labour Review*, May 1927.

instalment system, that furniture accounted for approximately 19 per cent of the instalment debt, that 75 per cent of all washing machines, 65 per cent of vacuum cleaners, 25 per cent of sewing machines and about \$140 million worth of clothing were sold on deferred payments. In a city of 60,000 inhabitants, 532 families were canvassed and it was found that 40 per cent of the families in the poorer part of the town bought on the instalment basis, 25 per cent in the middle-class sections and 5 per cent of the well-to-do families.

#### *The terms for borrowing*

Except for the so-called industrial banks and the small loan companies, the usual credit facilities were offered by the private moneylender, the pawnbroker, the instalment system and the salary buyer.

The interest rate of the industrial banks, however, was as high as 35 per cent per annum while, that of the small loan companies (operating under the Uniform Small Loan Law) varied from 3 to  $3\frac{1}{2}$  per cent per month, or 36 to 42 per cent a year.

The fact that the terms provided by the Uniform Small Loan Law were not considered usurious is significant. Before the adoption of this law, or in defiance of it, much higher rates of interest have been applied. The inquiry already referred to disclosed that the majority of the loans in Boston were granted at an annual rate of interest of 180 per cent. Cases were known of a man paying \$312 interest on a \$10 loan and being sued for the principal, or a railway worker in Chicago who paid \$1,080 on a \$30 loan and was still harassed for the \$30.

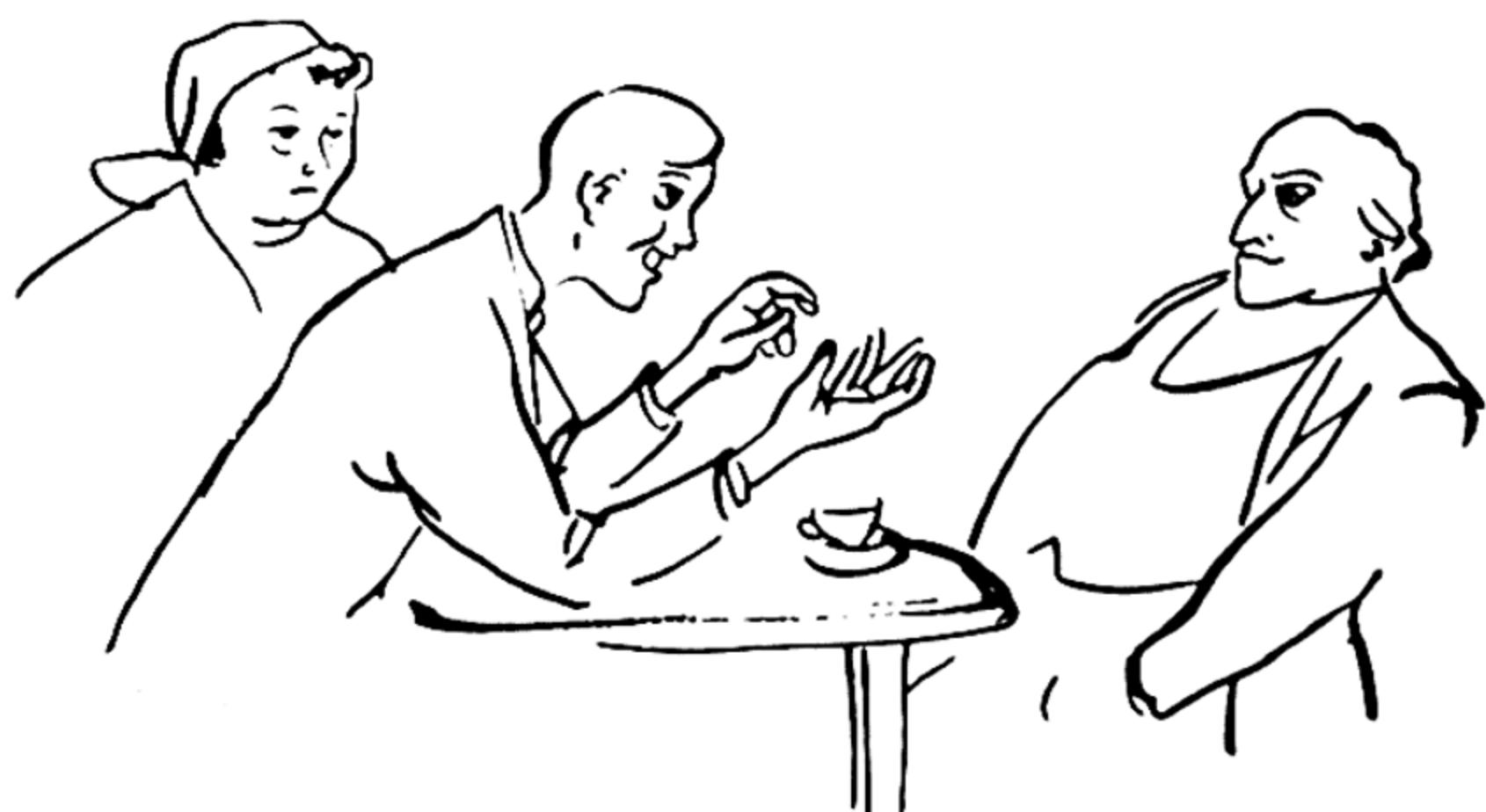
The price of instalment credit to the consumer varied greatly, ranging usually from 11 to 40 per cent and in some instances reaching 80 per cent.

As to the salary buyer, he disguised his loan by pretending to purchase earned wages at a discount, the rate of which, according to an investigation made by the Russell Sage Foundation in the spring of 1926, was never less than 260 per cent and usually higher, even up to 3,600 per cent.

To combat such evils, legislation is not necessarily powerless, but what power it may have is limited. Experience has shown that legislation fails when it tries to suppress the small loan business, in other words when it does not take into account the great need of borrowers for a source of credit; it mostly succeeds in making interest charges higher, for a law which submits borrowing to impossible restrictions will be defied by both borrower and lender, at a risk against which the lender will protect himself at the expense of the borrower. If legislation only tries

to regulate the business, it must, to be effective, recognize a rate of interest high enough to be attractive for the lender and therefore costly for the borrower.

Legislation therefore needs to be supplemented by some institutions capable of creating a source of credit at reasonable rates of interest for persons seeking and deserving credit. It was with this end in view that 'credit unions' were started in the USA, the first of them being founded in 1909.



## CREDIT UNIONS

### *How the movement was promoted*

Although the credit union movement was to become extremely popular, it did not start spontaneously from the people. It owes its beginning and much of its growth to three men in particular : Alphonse Desjardins, Edward Filene and Roy F. Bergengren.

After years of study of credit co-operation in Europe, Alphonse Desjardins founded at Levis (Province of Quebec, Canada) in 1900 the first credit co-operative society (*Caisse Populaire*) on the American continent. In 1909 he assisted in the foundation of the first society in the USA, among a group of French Canadians at Manchester, New Hampshire. In 1908 he had been invited to Boston, Massachusetts, to help in the preparation of the first Credit Union Act.

Edward A. Filene, a wealthy Boston business man with progressive ideas, had been interested by the credit co-operatives he had observed in Europe, and in India and Japan. He was bent on educating the people in the management of money and on democratizing credit. He was instrumental in bringing Desjardins to Boston. In 1921, he founded with the assistance

of Roy F. Bergengren and for fourteen years financed the Credit Union National Extension Bureau.

Roy F. Bergengren was from the first the Executive Secretary of this Bureau, then the Director of the Credit Union National Association (CUNA) when it was founded in 1936.

The first objective of the Credit Union National Extension Bureau was to make it possible, by adequate legislation, to organize credit unions anywhere in the USA. Campaigns were launched in turn in practically every State, either to amend the ineffective existing laws or to have new laws enacted. Most of the amendments or new laws were initiated and some were drafted by the Bureau; practically all follow the lines it established. The objective was finally attained in 1934 when a federal law authorized credit union organization anywhere in the USA and its territorial possessions.

From the start — at a time (1921) when only 190 credit unions with about 72,000 members were in existence — the Bureau had agreed that its ultimate aims were to build up a league of credit unions in each State and to create a national association. Both these goals have been reached and the National Association founded in 1936 embraces also the credit unions of most Provinces of Canada.

Among the other permanent features of the Bureau's programme was, of course, the task of finding and educating men who might conduct the affairs of every single credit union and of the movement as a whole.

#### *What is a credit union?*

It is a savings and loan association largely organized after the Raiffeisen pattern.

Its purpose is threefold. First, is to encourage saving among its members by providing a safe, convenient and attractive medium for investment; second, to eliminate usury and hardship by enabling members to borrow at a reasonable rate for purposes accepted as legitimate; third, to instruct the members in business methods and in the management of money, to develop their sense of responsibility and to show them the value of co-operation.

The first form of investment of the members' savings is the subscription and paying up of shares. Their denomination is generally small (from \$5 to \$10) and they may be bought in cash or in weekly or monthly instalments. In addition the credit union receives the savings of its members in the form of deposits.

It pays a dividend on its shares and an interest on its deposits. It is considered that the rate of the former should not be more than 6 per cent; the rate of the latter varies from 4 to 5 per cent.

Practically all the credit union State laws as well as the Federal Law limit the interest rate which may be charged on loans to 1 per cent a month on unpaid balances. In many cases credit unions have found it possible to charge even less.

Applications for loans must set forth the purpose of the loan. A credit committee, elected by the members, takes into consideration the need for the money and the reputation of the applicant, and accepts or rejects the application. Many credit unions loan up to \$60 without security. When security is required, it may be the endorsement of the note by a fellow member, a chattel mortgage, assignment of life insurance, etc.

That the judgment of the average credit committee is good is shown by the fact that in the course of many years loans were made without appreciable losses, and many credit unions never lost a cent. The reason given for this is that the man who is most capable of approving loans for a worker is the other worker who is daily associated with him in the workshop or in his community.

#### *Comparison with the Raiffeisen Credit Co-operative Society*

As in the Raiffeisen type of credit co-operative society, a credit union must be organized within a specific group of people. The group may consist of peasants in some rural district; it may be — and more often is — the workers in a factory or a mill or railroad, employees of a department store, municipal, State and federal employees, members of some trade union, of a given church parish and so on. Contrary to the practice of rural credit co-operative societies, however, size is considered unimportant provided the credit committee has the necessary information for making an accurate credit diagnosis; credit unions exist with a membership of several thousand.

In accordance with Raiffeisen's principles, shares are of a fairly low denomination and overhead expenses are kept at a minimum. Again, like the Raiffeisen credit co-operative societies, the credit unions tend to make borrowing possible, not to make it easy and indiscriminate. Their aim is to suppress, not to encourage, indebtedness. They grant loans with caution and this caution is meant to serve not only their own stability but also the financial and economic circumstances of their borrowing members. Yet they have somewhat stretched the usual Raiffeisen conception of 'productive loans'. Their loans are either 'remedial' or 'constructive', and in any case 'provident', which means that they are designed to be of immediate or ultimate benefit to the borrower.

There are points on which the credit union practice diverges more from the Raiffeisen principles: — the liability of each

member is limited to the value of the shares he owns; and most credit unions — the rural ones excepted — distribute their surplus in the form of dividends on shares.

### *The results*

The growth of the credit unions demonstrates both the imperious need of credit felt by small borrowers and the way in which the Unions satisfy this need. The number of unions at the end of 1946 was 8,968 and their membership over three million.

The movement continued to spread even during the depression years starting in 1929, at a time when many commercial banks were closing : there were 974 credit unions in 1929 with 264,908 members; 2,450 in 1934 with 427,079 members.

The credit activity may be measured by the position in 1946 : 1,654,928 loans were made for an amount of \$289,993,160. During the first eleven years of credit union activity in Massachusetts half the moneylenders of the State disappeared and the business of the remainder was cut by one-half.

A pamphlet issued by the State of Massachusetts states that : 'Operating in a personal manner in small local fields or groups (credit unions) can teach their members the desirability of saving in a way the less personal savings banks cannot do.' That they have succeeded in doing so and in accumulating large sums which remain at the disposal of those to whom they belong, namely the savers, is illustrated by the fact that, between 1921 and 1946, their total assets rose from \$10,084,862 to \$492,973,012. In 1946 alone a sum of more than \$50 million was accumulated.<sup>1</sup>

### *Credit unions in Canada*

The credit union movement in North America started in Canada (1900), where it is both urban and rural in character. For many years credit unions were found only in the Province of Quebec. They were next organized in Ontario (1922) and in Nova Scotia (1932). By 1939 all provincial governments had passed laws providing for the incorporation or registration of credit unions. In every Province they are organized into federations or leagues, and most of these federations or leagues are affiliated to the Credit Union National Association in the U.S.A.

In 1946, 2,422 credit unions were in existence with a membership of 687,722 and assets amounting to \$187,340,422. The Province of Quebec, where the movement was 46 years old, was leading in the number of credit unions (977), in membership

<sup>1</sup> U. S. Department of Labour. *Consumers Co-operatives and Credit Unions. — Operations in 1946.* Bulletin No. 992 : Bureau of Labour Statistics.

(480,815), in assets (\$159,139,525). Since the start the credit unions of this Province have made loans totalling more than \$250 million (about \$30 million in 1946 alone). During the fiscal year 1947-48 these figures have gone up to 1,042 for credit unions, to 486,836 for membership, and to \$176,372,026 for assets.

*Bibliographical references on credit unions in Canada and USA*

Philibert Grondin. *Catéchisme des Caisses Populaires Desjardins*, Québec, 1939. 182 pp.

Roy F. Bergengren. *Credit Union North America*. New York, 1940. 390 pp.

U. S. Department of Agriculture, Farm Credit Administration. *Credit Committee Handbook*. Washington, 1941. 40 pp.

Ad. J. Couture. *Qu'est-ce que la Caisse populaire?* St. Boniface, Manitoba, 1943. 96 pp.

Canada. Department of Agriculture, Economic Division, Marketing Service. *Credit Unions in Canada 1946*. Ottawa, 1947.

U. S. Department of Labour, Bureau of Labour Statistics. Annual Bulletins on 'Activities of Credit Unions' or 'Consumers' Co-operatives and Credit Unions'.

Credit Union National Association. *The Bridge*. Madison 1, Wisconsin.

Fédération des Caisses populaires. *Revue Desjardins*, 108, Côte du Passage, Lévis P. Q.

*Savings and Credit Co-operatives for Paid Workers in other countries*

It has frequently been said that the practice of buying on credit undermines the worker's freedom to use his salary as he wishes and also jeopardizes his independence and dignity.

The consumers' co-operatives and their central organizations have rendered a real educational and liberating service in urging their members to make only cash purchases, and in helping them to save their money methodically.

Savings have been accumulated chiefly, either by the purchase of supplementary shares, as in Great Britain, or by the establishment of savings banks in the consumers' co-operative stores, as in the majority of European countries. A particularly striking example of this accumulation of savings in a country where capital is scarce is offered by the Finnish co-operative movement in the years following the first world war.

This accumulation of savings had led or contributed to the establishment, in the various countries, of banks or banking departments of the consumers' co-operatives — sometimes, as in Switzerland, with the collaboration of the trade unions. These savings have been generally used for the financial needs of the

co-operative movement, that is to say for the collective advantage of those to whom they belong.

But, contrary to what has taken place in Canada and the United States, they have been rarely used for satisfying the credit needs of individual members of the co-operatives.

The greatest progress in this direction has undoubtedly been made in Austria. Two methods have been used. First, certain consumers' co-operatives have issued weekly savings-stamps : when accumulated up to a certain amount, these entitled the member to an equivalent credit in the co-operative store. In effect this is a replacement of the deferred payment system by one of savings by instalments with a view to subsequent cash purchases. Second, genuine savings and credit co-operatives have been established among the civil servants and the workers. In the case of loans granted to civil servants, the public administrations agreed to make the monthly payments that had been agreed on with the savings and credit co-operative, by means of deductions from the salaries of the civil servants concerned. The savings and credit co-operatives of the workers were grouped in district unions, and these in turn attached to the Central Co-operative Bank.

A 'consumers' credit co-operative' movement was also developed in Poland, especially among the civil servants (railway employees and teachers, in particular), and, to a lesser degree, among the workers.

In Switzerland, mention may be made of a small number of 'provident and mutual credit co-operative groups,' of which at least one was established by a co-operative study circle.

In Yugoslavia the Federation of Private Employees set up in 1929 a consumers' credit co-operative, whose resources consisted of members' shares plus the deposits of the Federation and its affiliated unions.

It is particularly outside Europe, however, in Palestine, India and the British possessions in Africa, Asia and America, that savings and credit co-operatives for paid workers have been established, on lines closely resembling those of the credit unions of Canada and the United States of America.

In Palestine the membership of such co-operatives totalled about 27,000 members at the beginning of the late war. Their existence was due to the special needs of the immigrants and to the important part played by co-operative institutions in the building up of the national economy.

In India savings and credit co-operatives are gradually spreading in the textile and other industries. They usually work in collaboration with the employers, who lend the services of an

accountant and undertake to make the regular savings deduction from the salary of the workers to which the latter have explicitly agreed.

The Indian labourers on the plantations of the Federated Malay States have long been familiar with the savings and credit co-operative organization, which has also developed among the civil servants. At the time of the Japanese invasion, there were more than 400 savings and credit co-operatives among the Indian labourers, with a total membership of almost 70,000. Among the civil servants, there were 79 such co-operatives, with 31,428 members.

There are also a few savings and credit co-operatives for civil servants and employees in Ceylon.

China has a traditional institution, the *Hui*, which possesses some of the characteristics of the savings and credit co-operatives, but which has sometimes degenerated into a kind of gamble.

In Africa, mention should be made of the savings and credit co-operatives which have developed in Nigeria, chiefly but not exclusively among civil servants and employees; in 1945-46 they numbered 224, had a membership of 1,717 and total assets amounting to £154,024. The Gold Coast in that year announced four co-operatives of the same kind, with 175 members.

## THE PROBLEM OF PURCHASING



In poor or economically under-developed communities, the farmer, artisan and worker generally buy their goods under unfavourable conditions.

The peasant buys his seed and often certain household commodities from the usurer — who is generally the merchant — or else from his landlord, who may also be the moneylender. Craftsmen buy their materials over short periods, the coppersmith his copperplates, the blacksmith his charcoal and scrap-iron, the dyer his dye and heating timber, the joiner or cabinet-maker his wood, and so on. And they all buy only sufficient household supplies to meet their immediate needs.

These purchases are made in very small quantities, which is the most expensive way. To buy the goods, particularly those required for work, takes half a day, a whole day, sometimes even a day and a half. This is not only a waste of time but a waste of money, even if those concerned do not fully realize it. Other disadvantages and certain risks are also involved. There are no means of checking the quality of the raw materials or commodities, especially when they are obtained on credit. Some

workers — such as cabinet-makers — forego the important advantage of storing the raw material sufficiently long (several years) for its quality to be brought out when it is worked, thus increasing the value of the finished product. Others again — workers in wood, wool and tanned hides — are exposed to the risk of excessive, over-sudden or over-frequent fluctuations in price.

Why do they not buy their goods wholesale? Often they are too improvident or apathetic to think of doing so. In the majority of cases the reason they cannot do so is that they are too poor and have no savings or credit.

### *Some possible solutions*

What is impossible for these people as long as they remain isolated is within their power once they group together. In savings and credit co-operatives, they can acquire the habit of making modest but regular savings, building up a small collective capital and obtaining advances.<sup>1</sup> In addition these co-operatives often buy goods for their members by placing group orders. If the business grows too large they may help to set up and organize purchasing co-operatives.

There are two types of purchasing co-operatives : agricultural and craft co-operatives, which help farmers and artisans to obtain their raw materials and equipment, and consumer co-operatives; in areas where there is little specialization, particularly in the country, there are also co-operatives which serve both purposes.

Except in Europe, *purchasing co-operatives for craftsmen* are not very common. Yet they are fairly numerous and sometimes prosperous in India.

*Agricultural purchasing co-operatives* (some of which also look after the sale of their members' produce), have developed in a great number of countries, not only in Europe where they are most numerous, and in North America, but also in Africa (particularly in Egypt and Tunisia) and in Asia. There were more than 12,000 in Japan, while China had some 30,000 rural co-operatives which distributed goods; co-operatives of this type and multi-purpose co-operatives have been spreading fairly rapidly in India in the last few years.

Apart from a few recent and striking exceptions, genuine *co-operatives for consumer goods* are rare in Africa, Asia and the Pacific countries.

The main exceptions are Ceylon, China and India, where there was a sudden development of consumer co-operatives during the last war. In this period the number in Ceylon leapt

from 38 to more than 4,000. In China, in 1944, there were 4,782 co-operatives distributing consumer goods, and 33,628 other co-operatives performing this and other functions; in 1937 there were only 0.4 per cent of the total number of co-operatives now existing; by 1946, the movement had considerably grown and there were 14% of the present number. Similarly for India : in Madras province the number of co-operatives increased from 85 in 1939 to 1,138 in February 1944; in the State of Mysore the number increased from 72 to 625 in the same period; most of the 477 co-operatives for consumer goods existing in 1943 in the province of Bombay and the majority of the 167 estimated at the end of the financial year 1944-45 in the United Provinces, sprang up during the war.

These spectacular developments suggest possibilities which could scarcely have been imagined a few years ago. Yet they must be judged with caution. They are not only war-time developments but, especially in Ceylon and Madras, they are the outcome of a particularly dramatic period of the war; they were helped along by intelligent, large-scale support and government measures for public welfare; above all they were backed up by co-operative institutions which were already firmly established, and by the understanding and confidence of a considerable section of public opinion; lastly, they had the decisive assistance of the Registrars of Co-operative Societies, Departments of Co-operation, and a staff experienced in co-operative propaganda, education and organization. In general however, the establishment of consumer co-operatives in undeveloped communities where there are no credit co-operatives is beset with great difficulties, less easy to overcome than in the case of rural supply co-operatives. It is necessary to raise fairly large capital, to find capable, honest administrators, and to compete with the host of small dealers who are prepared to sell at any hour of the day or night, earn little and live on still less.

Under such conditions, it is preferable to begin with the organization and running of buying clubs, which are a first step towards the consumer co-operative.

#### BUYING CLUBS

The failure of a consumers' co-operative is generally due to a bad start, in other words to lack of understanding of co-operative principles on the part of its directors and members, to the fact

that too great economic advantages are expected of it, to lack of experience in administration and purchasing, and to ignorance of proper accountancy methods.

### *Aims of a Buying Club*

The buying club is not an end in itself but should be a preliminary step towards the establishment of a healthy consumers' co-operative.

Its main aims are :

1. to give its members an opportunity of studying co-operation;
2. to make them familiar with co-operative methods ;
3. to improve the quality of the goods they buy;
4. to build up capital from the savings made by wholesale purchases.

### *Buying and distribution*

The buying group buys only against firm orders. As a rule in the initial stages it buys only everyday consumer goods of a standard type : coal, oil, flour, rice, cloth, and not as many types and qualities of material or tinned goods as there are members.

If the members can pay for their orders beforehand (which is to be recommended), the club works without capital or with a small borrowed capital that is soon repaid. There is little or no stock in the early stages, so that storage expenses are saved. Since all purchases are made exactly according to members' orders, there is a buyer for everything and the club does not risk losses through ' returns '.

Where members do not pay beforehand for their orders, they pay cash on delivery.

The buying club may sell its goods either at the normal market retail price or at a slight reduction. As a rule the club is not strong enough to begin a ' war of prices ' and, if it were to do so, it would run the risk of arousing the enmity of tradesmen who could hinder its obtaining supplies. In any case, the members of the buying club should not benefit immediately from the margin between the wholesale and the retail price. Every member will be able to receive some of this margin as a *pro rata* rebate on his purchases; the amounts not refunded to him will be credited to his account and their accumulation will make up or go towards his share in the future consumers' co-operative.

The necessary capital and the training for running a small business thus proceed simultaneously and imperceptibly.

When the club becomes so busy that it needs to use a warehouse or shop and employ a salaried staff, it is preferable to convert it into a genuine consumers' co-operative.

*Organization*

Up to this point the buying club, which generally does not need to be registered, has been operating merely as a club. However, it is advisable for the members to draw up simple statutes defining the main rules of co-operatives ('one man, one vote', a *pro rata* refund on purchases, etc.). It will naturally have a governing body and auditors, and an education committee is also advisable. The club will build up a reserve fund. If circumstances permit, it may even set aside a small capital from the beginning, the shares of which may be acquired by successive deposits.

*References*

Buying clubs are fairly common and are continuing to spread, especially in Canada and the United States of America, two countries where the birth and development of true consumers' co-operatives have met with special difficulties, chiefly in the form of competition from the wholesalers who are effectively and strongly organized.

Fuller details will be found in :

U. S. Department of Labour, Bureau of Labour Statistics — Bulletin No. 665. *Organization and Management of Consumers' Co-operatives and Buying Clubs*. Washington, 1941, 106 pp.



## A NEGRO CONSUMERS' CO-OPERATIVE SOCIETY IN USA

*Background*

Gary, in Indiana, is a one-industry town. In the winter of 1932 its steel mills were all but closed; only 1 of its 13 banks remained open; one-fifth of its 100,000 inhabitants and about one-half of its Negro population were on relief.

*Action taken*

Representatives of some 20 Negro families met at the Roosevelt High School in order to find a solution for their economic problem. The principal and several teachers of the school attended the meeting.

After meeting weekly for some time, the group came to the conclusion that their only hope was to organize as consumers. Their chairman, a teacher of the High School, made a short study of consumers' co-operation and gathered some documentation on the occasion of a co-operative congress which he visited. On his return a co-operative buying club was started with a capital of about \$24. The money had been collected in the course of the preceding meetings — not without difficulty, since people were not easily persuaded to put their remaining dollars into a 'new-fangled' scheme.

Orders were collected weekly by one of the members, then the goods were delivered by a local Negro merchant. Naturally, this method of operation produced no measurable savings.

When the group tried to buy wholesale they discovered that wholesalers refused to deal with them unless they had a store. A store with fixtures was, therefore, rented and the buying club became a full-fledged consumers' co-operative charted as the Negro Co-operative Stores Association.

The store struggled along through the spring and summer of 1933. But because of scarcity of stock, and lack of capital and of experience, the trade remained small — about \$200 a week.

True to tradition, however, the group had set up an educational committee, which made arrangements with the Director of Adult Education of the Gary schools to start an evening class in co-operative economics. The class soon grew to be the largest academic class of the evening schools and greatly stimulated the organization. A co-operative women's guild was set up. In the spring of 1934 the educational committee published a pamphlet entitled *A Five-year Plan for lifting the Social and Economic Status of the Negro in Gary*. By this plan a modern grocery store and meat market

was opened in August to replace the old store. In November a credit union was organized. A financial drive was launched for the opening of a second store. Even the young people were getting practical co-operative training by running their own ice cream and candy shop.

By 1935 the credit union had more than 100 members and several hundred dollars on deposit; the consumers' co-operative had reached a membership of over 400 and a trade of over \$35,000; it was affiliated with the Central States Co-operative League, a component of the Co-operative League of the United States of America.

#### *Reference*

J. L. Reddix : *The Negro Seeks Economic Freedom Through Co-operation*. Published by the Central States Co-operative League, Chicago, 1936. 24 pp.

### CONSUMERS' CO-OPERATIVES IN CEYLON

When what is known as the 'great drive' began in Ceylon, the consumers' co-operative movement was barely under way. At the end of April 1942 there were only 38 societies with 17,675 members. These co-operatives were all for plantation workers, and were therefore run under very special conditions, substantial and effective assistance being given by the employers towards the finances and management. Efforts made to set up truly independent co-operatives for consumers, either in the towns or in the country, had all failed.

#### *Acute food crisis*

In October 1942 the Malay Archipelago and Burma were occupied by the Japanese forces and vital commercial relations with India were disrupted by air attacks. The island was practically cut off from outside supplies of food and clothing. The emergency measures hastily taken by the government were powerless to guarantee future supplies. Goods were disappearing from the market, resulting in the threat of serious famine, an enormous rise in prices, panic and black marketeering.

It was then that the idea of organizing consumers' co-operatives originated. There was a coincidence of exceptional circumstances : the public took the initiative and asked the government to help build up consumers' co-operatives quickly.

Government, immediately and methodically, gave every assistance required : it bore the additional cost of propaganda and organization, granted initial subsidies for consumers' co-operatives in the poorest districts, guaranteed to supply any co-operatives set up and even granted them a distribution monopoly for certain particularly scarce commodities.

To secure supplies for these co-operatives, it was soon found necessary to set up a central distributing body, the Co-operative Wholesale Establishment, which was inaugurated at the end of January 1943. This was a public body with the Commissioner of Co-operative Development as general manager.

But the most difficult and important task was naturally to help towards the speedy setting up and running of consumers' co-operatives in a country where this form of co-operative society was practically unknown. The government undertook a vigorous and large-scale campaign of propaganda, education and organization for co-operatives which was kept up for 18 months. The whole staff of the Department of Co-operation was called upon to contribute. As the beginning of the campaign (October 1942) its chief officials, apart from higher grades, were 33 inspectors and 55 sub-inspectors, whose main work was to revise accounts and supervise the co-operatives. This staff was quite inadequate, so that it became necessary to recruit new sub-inspectors and give them a hasty preliminary training for two weeks.<sup>1</sup> By April 1943 the number of sub-inspectors had increased to 125 and by April 1945, to 709, while the inspectors numbered 88.

Propaganda and educational work for co-operatives were similarly centralized and extended. A special section was set up for this purpose in October 1943.<sup>2</sup> Its object was to give more systematic training to the inspectors and sub-inspectors already employed, to train new recruits and men occupying responsible positions in the co-operatives, to start courses for the officials of other departments and for the public, and to organize examinations.

A co-operative school was established — a boarding school teaching co-operation, co-operative legislation, accountancy and auditing, political economy, economic history, economic geography (with special reference to Ceylon), and a few basic ideas about agriculture and general legislation. By the end of April 1945, after it had been going for 19 months, the school had trained seven new inspectors and 379 new sub-inspectors.

<sup>1</sup> In normal times, every sub-inspector has to undergo at least six months' training and pass an examination.

<sup>2</sup> It was to have been inaugurated in July of the same year, but the propaganda campaign, which it was intended to help, was absorbing all available resources and led to postponement.

Propaganda and educational work were being carried on at the same time on a regional basis. During the financial year 1944-45, the divisional bureaux of the Department of Co-operation organized 195 short courses, mainly for members of co-operative committees.

### Results

The first 6 months of the campaign brought the number of consumers' co-operatives up to 845 and the number of members to 225,800 (April 1943). By October 1943 the number of co-operatives had increased to 1,600 and by April 1944 to 3,627 with 826,814 members, while by April 1945 there were more than 4,000 co-operatives with over a million members, representing, with their families, about 4,000,000 people. This means that the consumers' co-operatives were then supplying practically two-thirds of the island's population.

However, by April 1944 the actual campaign had come to an end and was replaced by a very necessary consolidation programme. Though the experiment had succeeded in the sense that it had satisfactorily solved the problem of food supply, prices and fair distribution, it had also raised certain problems. First, as is only natural, not all the co-operative societies thus improvised in a few months (members, directors, managers, premises, transport) were ideal from the point of view of administration of staff; a great deal of rearrangement, purging and education was needed. Second, the Department of Co-operation was fully aware that these societies could not work on the same basis once conditions became normal again. Transitional measures had to be prepared, calling for certain sacrifices in the interests of the scheme as a whole.

### References

The above information was obtained on the spot or from the report (*Administration Report on the Working of Co-operative Societies from 1 May 1942 to 30 April 1945*) prepared by the Commissioner for Co-operative Development.

## THE PROBLEMS OF FARMERS, WOODCUTTERS AND FISHERMEN



### STOCK RAISING

#### COMMON SHEEPFOLDS IN THE FRENCH PROTECTORATE OF MOROCCO

The experiment briefly described below was made in the El Hajeb district, south of Meknes. The institutions described are not strictly speaking co-operatives, but they are of great interest, both in themselves and because they represent, as it were, a stage of evolution showing how pre-capitalistic mutual-aid traditions may be transformed into a modern form of co-operative organization.

##### *The problem*

The question was how to rescue the natives from poverty by developing sheep farming in a region almost entirely unfitted for raising crops. For this purpose it was necessary to improve or

gradually to replace the local breed of sheep, which was not suitable for export; to reconstruct and protect pasture lands, and persuade the people to build up reserves of fodder; and to improve the methods of sheep breeding by the use of shelters, sheep-dips, inoculation, castration of useless rams, and so on.

*La Timezgida*

After the French Administration had already taken certain steps the Civil Controller of the district started this experiment and introduced new features in solving the problem. He organized a collective effort on the part of certain tribes or fractions of tribes, in the form of undertakings where the property was held in common ownership and where the people were responsible for the management and received the proceeds.

To ensure the success of this experiment — to achieve the two-fold economic and educative aim — it was essential that this principle should be grasped and accepted by the persons concerned. 'It was necessary to create an institution which should have deep roots in Berber local habits... and in fact such an institution, the *Timezgida*, a mosque in the form of a tent, already existed.'<sup>1</sup>

In every douar (a local social unit, a village of tents) there is a tent which serves as a mosque, a school, and a dwelling for the schoolmaster (*fqih*).<sup>2</sup> The cost of maintaining the tent and the schoolmaster's salary are defrayed from a collective capital ('mosque property') which, in addition to the tent itself, consists mainly of flocks of cattle, sheep and goats. The institution has evolved in the course of time; and though originally established for purely religious purposes, the mosque property had made it possible to pay all the collective expenses of the douar; it has also served for charitable purposes (e.g. helping destitute strangers), and subsequently for mutual aid within the douar itself, generally in the form of loans of animals. In this it resembles a rudimentary form of co-operative credit society.

Thus an institution existed which enjoyed the prestige and stability of tradition and by which there was brought together a collective capital (mainly movable), managed collectively, and used for collective purposes.

*The undertaking*

The 'common sheepfolds' that were established were based on this model but organized on a different scale. The social unit is not the douar itself, but a larger group, a fraction of a tribe; the sheepfolds became '*Timezgidas of a fraction*'.

<sup>1</sup> All the quotations and the substance of this note are derived from an article by the initiator of the experiment, M. Boniface, published in the *Bulletin Economique du Maroc*, Octobre 1935.

<sup>2</sup> In Berber countries his main functions consist of teaching to read and to know the Koran.

What does this form of undertaking consist of? The first sheepfold, inaugurated on 9 May 1935, can be regarded as typical and a description of it will give some idea of the others.

The 'fraction' in question had a capital of only 4,000 francs, which was used for purchasing a flock of lambs of suitable breed. At the same time working parties were organized for the purpose of 'building a sheepfold 40 metres by 5, in stone and mud, roofed with corrugated iron'.<sup>1</sup>

A stretch of land in the vicinity, capable of cultivation and irrigation, was cleared of stones, and ploughed over an area of approximately 7 hectares to form the first clover field. This was followed by one for growing barley, another for vetch oats and one for maize, all intended to supply green fodder during the dry season. Irrigation was obtained from three springs, one of which was specially piped from a distance of 2 kilometres; all this work was done by the people on their own initiative.

Thus the undertaking had the benefit of voluntary assistance from those concerned — partly in the form of money payments, where this was possible, and in all cases in the form of voluntary labour. Although the latter was sometimes exceedingly arduous, it was always willingly furnished.

In describing the establishment of a second sheepfold, Mr. Boniface says: 'The clover field was created on very difficult rocky ground, at the cost of really terrific labour, which was cheerfully performed. Blocks weighing three or four hundred kilos had to be extracted and rolled away by hand. Blasting was employed only when necessary. All this work resulted in creating two hectares of fields suitable for growing fodder on well irrigated and perfectly cleared ground, right in the middle of a rocky plateau.'

Referring to another sheepfold, he says: 'The work was accomplished in five days, although it was rendered much more difficult because the necessary water could not be found on the spot and had to be transported in containers by hand.'

The management of the undertaking, consisting of the sheepfold itself, buildings, flocks, crops, agricultural tools and the revenue, is in the hands of a board of management, and it was not necessary to create this body since there already existed the *djémāa*, or local popular assembly which administers the tribal fraction. The *djémāa* examines the accounts, discusses and decides the general policy of the undertaking.

<sup>1</sup> The author draws attention to an unexpected consequence of this work, the training of a number of amateur masons within the tribe, some of whom made very rapid progress.

## FARMERS, WOODCUTTERS AND FISHERMEN

In 1935, seven of these common sheepfolds had already been established. Others were under discussion or were being set up; for 'all the natives in districts where none have yet been created are very eager that this shall be done.'

As conceived by their originator, the common sheepfolds were intended not merely to create fresh wealth, but also to take the place of and perform the functions of agricultural co-operative societies—in other words to create a habit and tradition of concerted self-help, and serve as a means of popularizing new techniques (new methods of group cultivation, castration, marking, sheep shearing, etc.). They contributed also to teaching the youth; the pupils of the Berber primary school for boys at El Hajeb were periodically taken to the nearest sheepfold to study agricultural methods and to get an idea of how the undertaking was organized.

## AN EXPERIMENT OF 'CO-OPERATIVE PLANTATIONS' IN NEW GUINEA

The first phases of this experiment have been described by the Reverend A. Clint in a letter published in the *Co-operative News*, Sydney, on 1 November 1948.

### *Achievements*

In August 1946 a meeting attended by 300 to 400 men decided to rebuild the mission at Gona, surrounded by villages, beyond which there were to be large plantations for copra, cocoa, cotton and coffee.

A sum of more than £2,000 was brought in and credited village by village. £300 worth of shovels, mattocks, axes were purchased. Eight native 'co-operative plantations' were set up, which are now united in a Federation : The Gona District Christian Co-operatives.

Two of the plantations received tribal chieftains' land, given by the chieftains' children.

In all cases bush has been cleared for rice, peanuts, native foods, coffee and experimental plots in cocoa, rubber and cotton. Two of the biggest plantations have already enough rice in store to feed their villages and also a good crop of native food. Other crops are not so far ahead for lack of seeds; but a good crop of coffee and cocoa is expected in a few years' time and as soon as a rice huller can be obtained it is hoped that trade may be entered upon with co-operators in Port Moresby.

A few consumers' co-operatives have been established as well as community centres (with tea-shops) run by a locally elected committee and chairman.

*Education, training and supervision*

A special officer of the Department of Public Services and Native Affairs acts as Registrar of co-operative societies. Six people trained in his section have completed a course of book-keeping and co-operative study and assist him as inspectors. His wife is training a class of women in handicraft industries as part of future development.

Father Clint runs a co-operative leadership class each week. Students are picked men and women who have reached the necessary educational standard and are good plantation workers. The main subjects taught are : co-operative history and organization; co-operation in other countries; co-operative plantations and villages as a means of building a native economy; co-operation as a way to keep and yet improve the village life; how to conduct a meeting, keep minutes, etc., a little English and general knowledge, health, etc.

### PROCESSING CO-OPERATIVES

#### THE VINE-GROWERS' CO-OPERATIVE OF GRONI DESINETZ (YUGOSLAVIA)

The vine-growers' co-operative of Groni Desinetz, not far from Zagreb, was established in 1929. It is therefore not distinguished by its long standing. When the present survey was made, a few years before the last war, it was also not distinguished by its size. It had about 50 members and its cellar capacity was 2,000 hectolitres. But it provided a simple example, owing to its newness and its small size, and it was also typical of the manner in which the Yugoslav peasant expresses his innate sense of co-operation.

In spite of the nearness of Zagreb, the co-operative is the result not of outside propaganda, but of the initiative of the people concerned — small vine-growers each cultivating a vineyard varying in area between one-seventh of a hectare and two hectares. As these people had formed a credit co-operative the year before and anticipated the economic crisis, they decided to undertake together the making, storing and selling of wine.

## FARMERS, WOODCUTTERS AND FISHERMEN

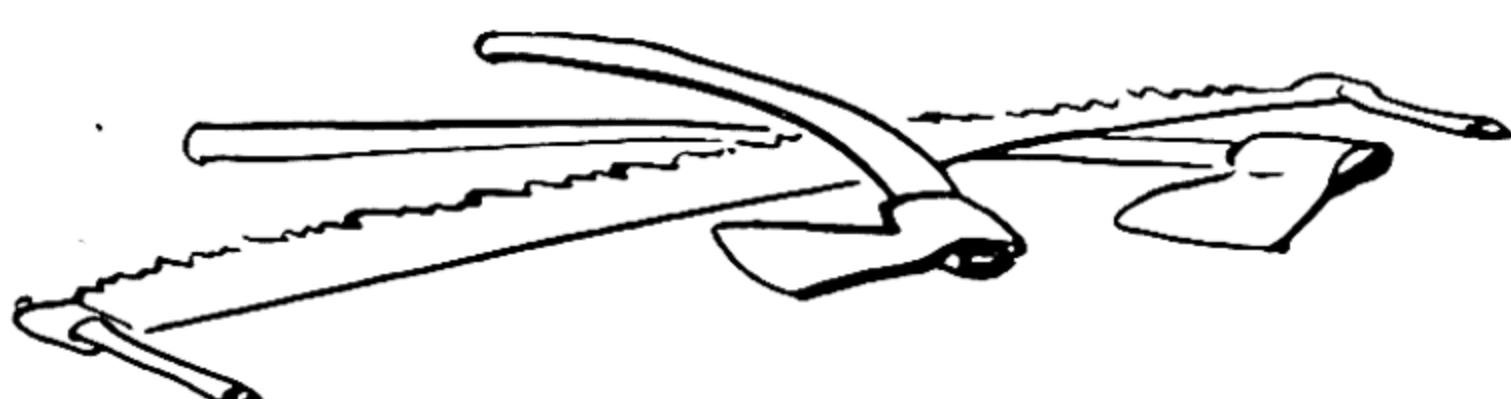
In addition to this spontaneity there is another characteristic which is found commonly among Yugoslav co-operators : the manner in which work for the co-operative is done. The members themselves did the navvying and transported the materials required for the construction of the building to house the wine-presses and barrels. The value of this work reached a figure of 160,000 dinars, which were reimbursed to members in the form of shares. The rest of the society's capital was made up of subscriptions in cash, the contribution of each member being calculated at the rate of 2,000 dinars for each  $\frac{1}{2}$  hectare of vineyard cultivated. To guarantee the society's operations, each member also bound himself for ten times the sum which he had contributed to the society's capital.

These resources were supplemented by grants from the Ministry of Agriculture and the Bank of Zagreb, and by a loan from the Central Union of Croatian Co-operatives.

The usual rule that members make contributions to a society in proportion to the services which they expect from it operates throughout this society's working — both at the start when capital is constituted and later in the routine functions. The only paid member of the society was the master-cellarmen, and the members themselves carried out all other work; each of them was bound to perform certain work for a period that varied in proportion to the importance of his production.

The main function of this co-operative society was to make and sell wine for the benefit of members; they received payment for their harvest only when sales were made, and the first payment was made to members who had most need of it.

The viticultural co-operative also supplied its members with the raw materials and implements necessary for viticulture. This function was partly taken over by the local credit co-operative.



## WOODCUTTERS

## THE CEDAR CUTTERS' CO-OPERATIVES IN THE ATLAS (FRENCH PROTECTORATE OF MOROCCO)

This is a brief account of an experiment which took place in 1938.

*The problem*

The cedar planks used by the joiners in the larger Moroccan towns are usually cut from June to September in the Atlas mountains, chiefly between Azrou and Tounfite. The woodcutters engaged in felling the cedars have to leave their village during this period. They therefore need to give their families sufficient to live on until they return and also to provide themselves with food for their stay in the mountains. They generally obtain these requirements from a timber merchant who in return purchases, before felling, the whole of the wood to be cut by the team to which he has made the loan.

This indebtedness, with its consequent dependence, as well as the obligation to sell their wood in advance, deprived the team of all hope of improving their lot by a better output, a more careful selection of the trees to be felled and a more effective technique in the preparation of the planks (the latter were squared and shaped with the axe, which involved a considerable loss of time and of wood, especially in the case of trees having an average height of 30 metres and an average diameter of 1.5 to 2 metres). The joiners in their turn complained of the quality of the planks they received; these were thinner and narrower at every delivery and unsuitable for their requirements.

In the interests of woodcutters and joiners alike a solution was sought which would free the woodmen from the lenders, and enable them to retain the product of their labours and themselves offer it on the market.

*The Tounfite co-operative*

The solution was based on the Berber social structure; in this, every collectivity is administered by a *djémâa* (assembly), consisting of an indeterminate number of members elected by the collectivity. It led to the establishment of the first co-operative.

This first co-operative came into existence in March 1938, in Tounfite, as a result of the efforts of an officer of the Department for Native Affairs. The officer divested himself of all official

## FARMERS, WOODCUTTERS AND FISHERMEN

trappings and mixed on equal terms with the woodcutters; by a skilful use of eloquence he managed to make them produce the co-operative formula.

The co-operative grouped together 140 cedar cutters, divided into teams of 4 or 5. With the help of the promoter, and later of the administration itself, the co-operative was able to obtain from a bank the necessary advances for the campaign. Each team worked in the forest for its own profit. The planks were collected by the *djémâa* and sold direct, without recourse to useless middlemen.

Soon the sales were conducted jointly with other co-operatives which had been established in the region on the same model. During the year, thirteen co-operatives were set up in Morocco. The Forestry Department supplied them with 200 crosscut saws so as to make better work possible.

### Results

Results were obtained as early as the second month of the campaign. The woodcutters, realizing that they had an interest in their output, improved the quality of their planks, which satisfied the joiners, and resulted in an appreciable rise in prices : the average plank, 4 metres long, which had sold the previous year for barely 7.50 to 12 francs, now fetched from 20 to 25 francs on the market. Certain planks of superior quality were sold for as much as 30 and 35 francs each. One of the co-operatives had borrowed 35,000 francs for the felling campaign; it was able, after a month's work, to repay a third of its debt and also to establish a reserve fund of 12,000 francs.

## REAFFORESTATION

### FRENCH SCHOOL CO-OPERATIVES FOR TREE-GROWING

*'If forests precede civilizations, deserts follow them'*

A generation which plants trees does not usually derive much benefit from its labour; but if reafforestation is treated as a work of mutual aid extending across generations, it is possible to arouse the interest of children, for they directly benefit from this work.

A good example is furnished by the school co-operatives for forestry, pastures and fruit growing that began to develop in France in the Department of the Ain, from 1898 onwards.

The first was established by a schoolmaster; and the movement almost immediately received the moral or financial support of the scholastic profession, the local authorities, the 'Society of Tree Lovers', and the technical collaboration of the French Forestry Department (Administration des Eaux et Forêts). The young co-operators, moreover, soon succeeded in rallying the inhabitants of the communes where they lived, and so obtained contributions which made it possible to pay for those tasks (such as breaking up ground, cartage, uprooting of trees) which could not be performed by the unpaid and light labour of children.

Each school co-operative of this kind is managed by a patronage committee, consisting of the primary school inspector, the Forestry inspector, and the Mayor of the Commune.

School forestry co-operatives have undertaken the work of reafforestation with great discernment. They plant trees on land that is not suited for pasturage, and try at the same time to improve and increase the yield of the good pasture land. In 1908 the co-operatives formed a Federation which embraced also the 'Tree Lovers of the Department of the Ain'. By 1931 this Federation had a total membership of about 2,600 adults and children, drawn from 57 co-operatives. The Federation carried on propaganda, helped to establish new co-operative societies, gave technical aid to existing ones, made grants and loans, obtained subventions, and grouped the members' orders in order to get substantial discounts from suppliers. Four federal nurseries were established, including one for fruit trees, to supply members with shoots free of charge.

From the time of their formation until 1931 the school co-operatives succeeded in reclaiming 1,550 hectares of land in the Department by planting 5,290,622 resinous trees; they improved 85 hectares for pasture; planted 62,290 apple, pear and ornamental trees; and reconstituted a number of orchards which had nearly disappeared. They also took an active part in exterminating harmful insects and protected useful birds by building breeding coops and bird sanctuaries.

#### WOODCUTTERS : SOME GENERAL INFORMATION

Forestry co-operatives have developed in most countries where forests are a large or appreciable element in the national economy — for example Germany, Poland, Switzerland, and particularly in Bulgaria, Canada, Czecho-Slovakia, Finland, Rumania, Sweden, USA, and USSR.

## FARMERS, WOODCUTTERS AND FISHERMEN

Generally these co-operatives are formed among small and medium proprietors for the rational exploitation of the forest (at times also for reafforestation), and the sale in common of timber and firewood. In Bulgaria, Canada, Rumania and USSR, however, even the work of tree-felling and the preparation of timber are organized through labour and production co-operatives.

The ILO has collected data on these co-operatives, some of which have been published in *Co-operative Information*.

### Bulgaria

Besides a small number of co-operatives of woodland owners, Bulgaria had before the war 74 co-operatives for woodcutters, with a membership of 7,590, supported financially by the co-operative and agricultural bank. In 1935 the value of products sold (chiefly beams and railway sleepers) reached 22 million levas. The co-operatives also bought food supplies, tobacco, tools, etc., for their members, to a value of 11 million levas for 1935.

### Canada

Similar problems have led Canada, and especially the province of Quebec, to carry out experiments in co-operative organization during the past ten years.

The problem is both economic and human. The practice of granting concessions to large companies — often foreign — has caused the waste of an important natural resource through both under- and over-exploitation. Economic maladjustment has in turn brought about social abuses : the concessionaires let lumbering rights to middlemen and sub-contractors, whose concern for profits often had an adverse effect on the living conditions and wages of the woodcutters. As a result there was serious discontent and instability among the wood cutters (numbering more than 60,000 in Quebec alone) ; they tended to move from camp to camp, or to migrate altogether. From the Gaspé region, for example, more people have migrated in the past fifty years than the present total population.

The co-operative camps (*chantiers coopératifs*) were created to combat these ills : by eliminating the middlemen and increasing produce they have given the woodcutters better wages and better standards of living and working. As in Bulgaria, the organizations take the form of labour co-operatives or, more often, of production co-operatives.

Since the woodcutters generally ply their trade at a great distance from the village, the co-operatives sometimes serve also as consumers' co-operatives. The workers collectively build dwellings in the forest, organize their supplies and meals, and so on.

In a recent project a complete co-operative colony was set up — with chapel, school, medical and credit services.

There has been a rapid growth in numbers since the first co-operative camp was established in 1938. In 1945 some of these organizations (notably the 17 of Gaspésie) were grouped into the Forestry Co-operative Association of Quebec. Its objects are to protect common interests, to help in the sale of produce or purchase of tools, to secure credits.

For further data, see *Ensemble!* — Co-operative Review, Quebec, for April 1945, April 1946, November 1947.

### *Rumania*

The forestry co-operatives of Rumania have never been strong among the small-holders. Some of them were simply supply co-operatives formed by the people of the plains in order to obtain good timber from the small woods in the vicinity. For the main part the co-operatives were set up by workers living in the thickly forested mountains as a means of ensuring extra work and income. The State encouraged these organizations since they were useful in times of unemployment and offered resistance to monopolistic foreign enterprises in lumbering.

The first co-operative was created in 1905 with only 28 members; by 1910 there were 89, with 4,563 members. Growth was stimulated by a series of laws following from agrarian reform — notably that of 15 November 1918, which enabled co-operatives to buy the wood in any of the State forests. By 1935 the co-operatives numbered 250 with some 28,000 members and an annual turnover of more than 119 million lei.

In size, functions and importance these organizations varied between the labour and the production type. Some were limited to the felling and rough hewing of trees; others processed the wood themselves, either in small enterprises for making casks, baskets, etc., or in larger ones of carpenters, joiners, wheelwrights who possessed their own narrow-gauge railway and rolling stock. Some again worked mainly for export.

All these co-operatives were supported by the central co-operative organization of Rumania; the State gave them preferential treatment, fiscal aid and the technical help of the forestry administration.

### *USSR*

The All-Russian Union of Forestry Co-operatives and Wood-workers Co-operatives, founded in 1932, is an imposing and complex structure. It comprises labour co-operatives for work in the forests as well as artisan co-operatives for manufacturing

## FARMERS, WOODCUTTERS AND FISHERMEN

wooden products and such derivatives as resin, wood-alcohol and so on.

Before the war, in 1938, the Union included 3,905 co-operatives with a total membership of 370,620 and a turnover of 1,635 million roubles.

The Union itself, as well as its regional federation, paid great attention to the technical training and general education of the co-operators. In 1935 alone a sum of 16 million roubles was spent on organizing libraries, courses, lectures, clubs and cinema projection.



FISHERMEN

## THE CO-OPERATIVE OF THE NATIVE FISHERMEN OF SOUS (FRENCH PROTECTORATE OF MOROCCO)

The co-operative of the native fishermen of Sous owes its existence, not to the initiative of the interested parties, but to that of the Commissioner for Native Affairs in the Agadir district.

### *The problem*

Sous is threatened with famine every time the harvest fails. The administration faces a continual problem — how to supply the people with new sources of revenue and of food. The coast happens to be very rich in fish; consequently, fishing has helped to solve the double problem, giving a means of subsistence to a part of the population, and at the same time allowing

food reserves to be built up in case they should be needed. At the time of the experiment the fishing industry was on the point of dying out; the fishing boats were almost unseaworthy and were hardly ever used. The prices obtained for fish were not at all in proportion to the fishermen's cost of living, the cost of upkeep of boats and tackle, the various taxes to be paid, and so on.

### *The co-operative Association*

In order to put new heart into the fishermen, to rebuild or re-equip their boats and enable them to obtain fair and stable prices for their fish, it was necessary to bring them together.

The Association was opened to every adult physically fit for sea-fishing who lived with his family in the locality concerned, and who acquired :

- 4 to 6 shares of 25 frs., if he was a *raïs* (owner) of a fishing boat with a crew of 6 to 8 ;
- 2 to 3 shares of 25 frs., if he was the owner of a boat with a crew of 2 to 6 ;
- 1 to 2 shares of 25 frs., if he was an oarsman.

Any corporate body of fishermen could join the Association; but it could not hold more than 6 shares.

In May 1935, the Association had about 400 members including about 50 owners of boats.

The society is administered by a board of 9 members chosen from the associate members and appointed by the general assembly. The members of the Board of Directors act in an honorary capacity. Each Director must possess at least 2 shares, which furnish the guarantee for his administrative acts. Members of the board are appointed for 3 years. A third of them are re-elected every year and members of the board are re-eligible for appointment.

### *The co-operative enterprise*

The enterprise began its activities on 30 November 1934 with an initial capital of 11,200 frs. To cover first costs, and in particular to purchase a light motor-lorry, it received from the Merchant Marine Service a grant of 35,000 frs; the *Service des Domaines* constructed the premises needed as office and store.

The co-operative was therefore immediately in a position to carry out its various functions.

It supplies members — who are bound to buy their stores from it — with nets, lines, ropes, hooks, corks, oars, outer keels, etc. It can itself have boats built and it assigns them at cost price to its members and, with an increase of 10%, to Sous fishermen who are not members.

## FARMERS, WOODCUTTERS AND FISHERMEN

On the other hand, members pledge themselves to deliver to the co-operative all the fish they catch at sea, except what is necessary to feed the members of their family dependent on them.

### *Results*

The Society has rapidly given fishing the impetus which it needed; in the first financial year (1935) the fishermen caught 1,188 tons of fish and received 335,000 frs. in return; by 1937, the tonnage of fish had considerably increased (1,588 tons) and the remuneration of the fishermen almost doubled (613,000 frs.).

The end pursued has therefore been attained : new food resources have been created and as all the native fishermen became members as early as February 1936, about 400 families have had their livelihood restored.

The success indeed exceeded expectations, and it soon became necessary to organize the preservation of part of the fish caught. A central brick drying-shed, 90 metres long, 5 wide and 6 high, which was constructed by the co-operative itself in a month and a half, makes it possible to salt large quantities of raw fish; the salting process follows reliable native methods, guarantees preservation for a year, and enables a rapid removal of the whole of the salt at the time of consumption.

The co-operative also owns two kilns for salting cooked fish, a store for keeping the cooked, salted and dried fish, and a stall for selling it.

As early as 1937, the co-operative had repaid all the loans made to it by the Protectorate.

## FISHERMEN : OTHER COUNTRIES

In its economic and social aspects, the fundamental problem of non-wage-earning fishermen is in many respects similar to the problem of farmers. Like the latter, fishermen must obtain credit and other means of production, as well as steady and remunerative markets for the product of their work; they must also be able to take out an insurance on their lives and on the lives of their families, and also insure against the risks peculiar to their calling.

### *The different co-operative forms*

In order to meet these numerous needs most economically and under conditions most favourable to their independence, fishermen try to maintain or establish direct relations with the markets :

the money market, the market for the articles necessary for the practice of their trade, the market for the sale of their fish, etc. In the case of sale, possession of the means of preserving (cold storage, preserving factories, etc.) is of prime importance.

When they find that their individual efforts are ineffective, fishermen have to resort to the co-operative movement which takes forms similar to those found among farmers : credit co-operatives, supply co-operatives, sales co-operatives, insurance co-operatives.

In most countries credit and supply co-operatives (fishing-tackle, bait and, sometimes, the building of boats) appeared first. In recent years, sales co-operatives have rapidly increased and some have reached a high point of development. Fairly frequently the same co-operative exercises many functions, either having undertaken them from the start, or, more frequently, having added them to its original activity.

However, the majority of *credit* co-operatives exercise only the credit function. They are mainly found in Belgium, Canada, France, India, Mauritius and Newfoundland. The central co-operative of Hong Kong (Fisheries Co-operative) seems to be an exception to the rule. But it does not engage in credit operations for its own account : it acts only as an intermediary for the distribution of credits granted to fishermen by the government.

The *supply* co-operatives, which furnish their members with the articles or services (sometimes including work-yards) needed in the exercise of their calling, are found in a great number of countries, namely : Belgium, Brazil, Canada, Denmark, Ireland, France, British Guiana, Iceland, Japan, Newfoundland, Norway, Poland, Sweden and USA.

It often happens that the same or different co-operatives supply their members with food, either for the time they are at sea, or for domestic consumption. This is the case in Canada, France, Hong Kong and Iceland.

In Denmark, Iceland, Norway and USSR, certain fishermen's co-operatives have their own boats.

Most countries with an important fishing population are familiar with the co-operative organization for the *sale* and, frequently, for the preparation and conserving of fish : Australia, Brazil, Canada, Denmark, Ireland, Finland, France, Great Britain, Hong Kong, Iceland, Italy, Japan, Norway, Netherlands, Newfoundland, Poland, Sweden, USA, and USSR.

In Belgium, Canada, Spain and the United Kingdom special co-operatives *insure*, on a mutual basis, the fishermen or their boats.

Sometimes, particularly when communities of fishermen are somewhat isolated, their co-operatives penetrate more and more

## FARMERS, WOODCUTTERS AND FISHERMEN

into the family lives of their members and add to their purely economic functions the establishment and up-keep of schools, the administration of pension funds, medical benefit funds, etc. This was notably the case before the Civil War, and may be still, with the *positos maritimos* of Spain (the maritime granaries), which also received generous aid from the State. In Hong Kong, the 'Fisheries Co-operative' has created a fund for the education and welfare of fishermen and their families. In India, the fishermen's credit co-operatives provide for the medical care of their members.

### Principal countries

The importance and the degree of development of fishermen's co-operatives naturally vary from country to country with the importance of the fishing industry, and also, with the degree of development attained by other forms of co-operative societies.

The movement first developed in Europe. In Denmark 10%, and in Ireland more than 30% of the fishermen, are organized on a co-operative basis. In Iceland the co-operative movement has been firmly established in all those branches which bring the fishermen in contact with the market, including the export market. Italy had 260 fishermen's co-operatives in 1946. The central fishermen's co-operative organizations in Norway and Sweden have reached a high degree of development and occupy an important place in the fishing industry of the country.

In USSR, in 1945 there were 427 co-operatives with a membership of 550,000 fishermen.

In North America, fishermen's co-operatives have also won an important place on the market, in recent years, chiefly in Canada, the United States and Newfoundland. Asia has not remained behind, especially Ceylon, India, and still more, Japan where after the first world war, statistics showed, 3,647 fishermen's co-operatives with 459,529 members.

In the following countries, fishermen's co-operatives have reached a sufficient degree of development to federate themselves, either for moral purposes (propaganda, education, organization, etc.), or for economic purposes (supply, sale) : Brazil, Canada, Ceylon, Spain, Finland, France, Great Britain, Hong Kong, Italy, Japan, Poland, Sweden, USSR. In Ireland, as in Norway, the fishermen are directly affiliated with large national co-operative organizations of the centralized type.

### Government aid

Governments usually help fishermen's co-operatives in one or more of the following ways :

CO-OPERATIVES AND FUNDAMENTAL EDUCATION

- (1) granting or guaranteeing credits;
- (2) assisting in the organization of co-operatives or subsidizing the existing co-operatives;
- (3) securing for fishermen's co-operatives a favourable position on the market;
- (4) supplying the fishermen with the articles they need, as in British Guiana, or undertaking to purchase their fish, as in Ceylon;
- (5) in Poland, the State helps existing fishermen's co-operatives in financing and running a 'mixed central association' charged with the organization of all phases of the fishing industry.

## THE PROBLEMS OF INDUSTRIAL, DOMESTIC AND CRAFT WORKERS



### THE RÔLE OF CO-OPERATIVES AND THEIR MAIN FORMS

To protect or regain their economic independence and to raise their material and cultural conditions, artisans and domestic producers make use of co-operative formulae similar to those employed by farm workers.

#### *Main forms*

The artisans and small domestic producers can organize themselves on a co-operative basis in order to obtain the necessary credits for the raw materials, tools and driving power they need, or in order to sell the product of their work in the best possible conditions.

Artisans exercising the same trade (blacksmiths, wheelwrights, goldsmiths and sometimes potters) in a single rural community are usually not numerous enough to establish a co-operative on their own and to run it economically. Such a co-operative would have to cover several villages. On the other hand, it is possible to

establish one or more small co-operatives in the same village for certain domestic industries (weaving, pottery, etc.) or for artisans in centres where, for geographical, economic or other reasons, certain specialities have traditional roots and give employment to numerous workers in small independent workshops.

For skilled workers employed in industries which embody artisan methods of work, the workers' productive co-operative offers the most complete formula, but also the most difficult to apply. It amounts to handing over to the associated workers not only all the products and advantages, but also all the responsibilities and risks of the business : they have to form capital, organize production, obtain supplies and find markets for their produce.

The workers' productive co-operatives differ from artisans' co-operatives in the same way as the co-operatives for cultivation in common differ from the rural supply or selling co-operatives.

Labour co-operatives — the least complex — restrict themselves to carrying out definite tasks for which they have signed a contract. They are usually subordinate enterprises using, if necessary, the tools of the employer and they can therefore operate without capital. They are generally found in the trades where skilled or unskilled work, involving little or no machinery, is normally done by groups (all the building and public works industries, mining industries, the work done by woodcutters, dockers, etc.); but they are sometimes found also in the important branches of centralized industry, where the different workshops, technically independent of each other, can form several units organized on a co-operative basis. The aim is to enable the workers so associated to organize themselves and to distribute freely the tasks which they have undertaken, as well as to allot among themselves, according to the rules they have adopted, the price of the work — a price which has been agreed upon by their representative and the employer. The co-operatives thus aim at freeing the worker from exploitation by sub-contractors or jobbers or from the tyranny of foremen.

#### *Intermediate forms*

In theory, labour co-operatives, workers' productive co-operatives and artisan co-operatives may easily be identified. But in practice we usually find hybrid forms, and the transition from the simplest to the most complex is part of a continuous process. A labour co-operative, for instance, may decide to acquire certain equipment; as this equipment requires the tying up of more and more capital, the society may develop imperceptibly towards the form of a workers' productive co-operative. Similarly

artisans, while continuing to work in their own private workshops, may decide to carry out certain tasks in a common workshop in which they have installed driving power and a few machines. If the members meet more and more frequently in this workshop, or they make joint purchases of raw materials, or a rough distribution of orders, or perhaps carry out an order collectively, the artisan co-operative will more and more resemble a workers' productive co-operative.

This fluidity of co-operative forms to adapt themselves to the needs of small industrial producers justifies the tendency to group them under the general name of 'industrial co-operatives'. It will be illustrated later by some examples noted in Yugoslavia before the last war.

#### *Co-operatives and the modernization of industry*

As with farm co-operatives, industrial co-operatives do not merely satisfy the immediate professional needs of their members; they are also instruments of technical progress and schools for training in responsibility and the use of freedom.

In countries where the modernization and development of industrial production is beginning or extending, these co-operatives are called upon to play a part which, although new, is in full harmony with their character. This is shown in China by official declarations. The Indian Parliament in April 1948 adopted a programme of industrialization revealing a similar trend; it is proposed to open up new paths to industrial development, other than those which the industrial revolution first opened up to the West and then imposed on it from the end of the 18th century onwards. Naturally, room is made for large industries of the Western type and for products which have never been, and cannot be, made except by them. But an important place is reserved for small industries, domestic industries and handicrafts which can be supplied with driving power by modern means without wrenching workers away from their natural or traditional surroundings, and without creating an unwholesome concentration of wealth and power.

The problem then arises : how to co-ordinate the activities of the small units of production among themselves and with large-scale industry and other parts of the economic system ?

In order to achieve this double co-ordination, reliance is placed on the development of industrial co-operatives in their various forms and on their federation. This seems to offer a method of uniting all these small units in one coherent whole, without absorbing them or encroaching on their independence, yet conferring on them the financial and technical advantages of centralization.

The examples taken from China, India, Indonesia and France in the rest of this chapter might assist the inventive mind to devise formulae for such centralization and for establishing a relationship with heavy industry.

### SOME EXAMPLES OF PRIMARY CO-OPERATIVES

#### *Hand-Weavers' Co-operative in Strazisce, Yugoslavia*

Not long before the war this co-operative had 150 members. It was established in 1927 at Strazisce, near Kranj (Slovenia), to meet the needs of a community which depended for its living on agriculture and on a completely unrelated industry : the manufacture of hair-cloth for sieves. This manufacture took place in the homes on small hand-looms. The raw material, horse-hair, came mainly from Siberia and South America. Sieves of varying degrees of fineness are used in a large number of industries (particularly flour-milling, brewing, chemical products), and they were exported mainly to France, Great Britain, Germany, the Netherlands, Tunisia, Algeria and South America.

The industry was therefore a local one, yet connected with foreign markets in order to obtain supplies and sell its products. Clearly each of the small producers concerned could not maintain such distant and complicated relations, watch the changing conditions of the market, and deal with all the customs regulations which were themselves subject to continual modification. The producers needed an intermediary between themselves and the market, but placed in such a strong position an intermediary might easily have become their master. To save their independence and prosperity the weavers established a co-operative to which they entrusted most of the functions which the intermediary would have exercised. Its first function was to obtain the supplies which they needed : 30,000 kilos of raw materials each year. It then undertook to clean and prepare the hair — the workers who did this part of the work were also members of the society. Lastly, the co-operative ensured the sale of the sieves woven in the homes of the members : in return for an agreed price, the sieves became the property of the joint concern which bore the expenses and risks of the sale.

The surpluses at the end of each financial year were not distributed, but were paid into a provident fund for the benefit of members.

A small domestic producers' co-operative for the manufacture of straw hats operated in similar conditions in another part of the region.

*Cabinet-Makers' Co-operative at Saint-Vid, Yugoslavia*

Saint-Vid, near Ljubljana, is in a region famed for the manufacture of furniture, some of which is exported.

The demands of the market have brought about changes and progress in equipment and technique; and to some extent factory production has developed. In order to hold their own with the factories, the small artisan enterprises have also had to improve their methods of manufacture.

Certain artisans were led in this way to group themselves for the joint purchase and use of the machines which they needed, but which none of them alone could procure or use to the full. To this end they set up a co-operative in 1919. The members produced and sold as individuals, but shared the machines in a common workshop; they used the machines according to their needs and paid a rent to cover the costs of power and depreciation. There were few members (9 when this survey was made in December 1934); they limited the number themselves, so that each could reach the machines without much delay. This seems to be a general factor limiting the membership of co-operative societies of such a kind. There is another reason, similar to that determining the appropriate size of a rural credit co-operative society; which, in order to carry out its functions with ease and with a sense of security, should if possible be composed of a small number of members who know each other and have such confidence in each other that the individual is willing to pledge his whole property to meet the debts of the association.

Such solidarity and mutual confidence were also necessary for the cabinet-makers of the Saint-Vid co-operative. Each could contribute to the share capital only a relatively small amount (a share cost 1,000 dinars); and as they could not increase the capital by increasing the number of members, the total amount was insufficient to buy the necessary equipment. They had to have recourse to a loan, and it was only by accepting joint and unlimited liability that they were able to obtain from the Credit Co-operative a loan of 150,000 dinars.

*The Iron and Nail Industry Co-operative at Kropa, Yugoslavia*

Kropa is an industrial village which has specialized in iron work for 400 years, according to written documents, and for longer still according to tradition. Its 'First Iron and Nail Industry Co-operative' outdistanced commercial enterprises and saved the traditional industry for the region.

One of the interesting characteristics of this co-operative society was its adaptability. It possessed not only the most rudimentary equipment — the least costly — but also the most modern equipment — the most efficacious. It manufactured a part of its own equipment, sometimes according to plans and ideas resulting from the particular needs and the inventive minds of the members. It was thus able to change over from mechanical to hand manufacture and vice-versa, according to the needs of its clientele and the fluctuations in demand.

As is generally the case with the Yugoslav co-operatives, however modest they may be, this co-operative tried also to meet the cultural needs of its members. The society published a monthly journal in which economic, technical and social problems, history and local events were dealt with at length; it organized courses and established for its members a library and reading-room in the 'co-operative home'. The home itself had been set up in collaboration with the consumers' co-operative, and contained among other things a very fine lecture and entertainment hall; a local museum was also projected.

#### *The 'Runo' Leather Co-operative at Terzic, Yugoslavia*

When it was founded in 1924, in an important centre of the leather industry, this co-operative had only 10 members. Its inadequate capital had been doubled by a loan from the credit co-operative.

Ten years later it had 124 members. Some of these members were tanners, others were master boot-makers. Both in composition and in aim it represented two co-operative societies in one: a workers' productive co-operative for giving work to tanners, and an artisan co-operative supplying the master boot-makers with leather.

In the workshops, without a foreman, discipline was a kind of mutual help. The tasks were distributed according to those individual capacities which workers on an equal footing acknowledge among themselves, and elderly workers found suitable work of their own accord. It seems that the individual and collective output was outstanding. The president of the society received the same salary as the qualified member workers — but it was the highest salary received in the country by members of that corporation.

Since 1931 there have been seven working hours per day.

In spite of these model working conditions, the prepared leather was delivered as cheaply as possible to member purchasers. From the outset 'Runo' had obliged the leather merchants to lower their prices by 10 per cent. 'Runo' purchased certain

kinds of nails from the Kropa Nail Manufacturers' Co-operative.

The surpluses at the end of each financial year were not distributed among members but remained in the society for the purpose of improving and adding to equipment.

It was provided that, in the event of the society being liquidated, the net assets would similarly not be distributed, but would be used for charitable purposes.

## SOME EXAMPLES OF INTEGRATION

### THE CHINESE INDUSTRIAL CO-OPERATIVES

Although it has been hampered by adverse circumstances, and does not in its present phase allow of any certain conclusions as to its future, the experiment conducted by the Chinese Industrial Co-operatives (CIC) deserves attention for its past achievements and the methods by which they were attained, and also for the potentialities and the ideas it has brought to light.

#### *Origin and short-range objectives*

The movement arose out of the situation created by the Sino-Japanese war. The country was almost completely deprived of its modern industry which was concentrated in five or six coastal cities. At the same time it was practically impossible to import industrial products at reasonable cost and some sixty million refugees urgently needed employment.

Something had to be done which could contribute towards putting the refugees back to production, giving them a living and providing a substitute for the factories which had previously supplied consumer goods. This was not an easy task owing to lack of capital, lack of heavy industry to make machinery and serious shortage of modern means of transportation.

The solution ultimately adopted took account of all these circumstances and of the military requirement that, to escape bombing, small decentralized units should be established. The plan consisted of setting up a chain of small co-operative workshops, mobile, spread throughout the country, using local materials and organized so as to meet the most urgent needs in the various districts and to operate for limited markets.

*Long-range objective*

Although these industrial co-operatives had to be hastily improvised, the movement for de-centralized and co-operative industry was, in the minds of the principal promoters, a thing of the future. They recognized China's need for industrialization, but they did not believe this industrialization should necessarily and completely follow the Western pattern. One of the founders and moving spirits of the movement, Rewi Alley, wrote in 1944 :<sup>1</sup>

' There are not enough factory managers to go round if we are to scatter small factories of the Shanghai type through the villages and hamlets of the hinterland. Voluntary association of workers in self-managing co-op units, federating for joint sale and supply and for the hire of expert technical direction, is the best way out... People everywhere are coming to understand that small industry is essential to big industry. People living on the starvation line cannot buy the products of big industry — the airplanes, locomotives and ships... The conception of China covered by a network of small industry, linked together by co-operative federations, co-operative marketing and supply, co-operative treasuries, will become more and more of a reality as transport facilities improve and as electric power lines cover the country. Concentrations of industry in great slum centres, breeding disease and unnatural living, will then be a thing of the past. '

*Development in war-time*

The Chinese Industrial Co-operative Association was set up in August 1938 with the object of establishing and advising industrial co-operatives.

*Structure*

When seven or more persons wish to organize an industrial co-operative, they draw up a plan and budget and submit these to the CIC depot in their locality for study and investigation. Upon approval of the plan, the depot organizes and registers the new society as one of the co-operatives and gives it all possible financial and technical assistance. The depot may extend loans out of CIC funds, or it may introduce it to a bank for loans, in which case the guarantee of the depot is usually required. The relationship of the depots to the co-operatives is one of general supervision, direction and advice.

Individual co-operatives were soon encouraged to organize themselves into federations, which handled the supply and

marketing for them as well as doing educational and welfare work, with the help of the CIC Regional Headquarters.

District federations have set up schools, hospitals, dramatic societies and sports clubs. They have replaced depots in raising loans and distributing credit to the co-operatives. They also help to co-ordinate activities and to introduce a measure of planning and standardization into co-operative production.

Besides district federations, three regional federations have been formed.

### *Extension*

From 69 societies with 1,149 members in December 1938, the movement had grown to 1,590 societies with 22,680 members at the end of June 1942.

### *Types of industry*

During 1944, the monthly production of the industrial co-operatives averaged 74,791,377 Chinese dollars. Some 250 different articles were turned out, such as blankets, towels, cotton cloth, silk goods, hosiery, leather goods, flour, soap, candles, medical supplies, paper, pottery, glass dry cells for batteries, boats, matches, toothpaste, printing presses, looms for textiles, cigarettes, artificial limbs, etc. The co-operative units were also engaged in mining coal, iron, gold wolframite and asbestos, and in other activities such as printing, running oil-presses, power plants, foundries and transport services. The textile groups employed the largest number of members (36.7 % of the total), followed by the co-operatives making chemical products (20.2%) and the mining co-operative (7.1%). In the textile project alone two and a half million blankets were reported to have been supplied to the army by the end of 1942.

### *Relations between co-operatives*

An interesting aspect of the Chinese Industrial Co-operatives has been the encouragement given to the development of inter-co-operative relations by way of linking industries; as far as possible, the raw materials, semi-finished products and machines pass directly from the co-operatives turning them out to the co-operatives requiring them. For example, the saltpetre co-operative supplies the lime co-operative, and the latter supplies the paper and leather co-operatives : similarly the oil-pressing co-operative supplies the wood-carving and manufacturing co-operative and so on. The importance of this for the promotion of a wide feeling of unity has been very considerable.

*Improving technique*

The activities of the industrial co-operatives have been built on the traditions of the handicraft industry, but the handicraft technique has been rapidly improved, often by copying and then manufacturing certain machines or machine parts imported for the purpose. In the handloom industry, for instance, the substitution of an iron for a wooden gear reduced to one hour the work which formerly occupied a whole day. Similarly, a slight modification made in spinning wheels enabled four times more yarn to be produced wherever this inexpensive improvement was introduced.

*Education and training*

The movement duly recognized the importance of education, both technical and general. There were elementary courses organized for children — who were themselves often grouped in school co-operatives — and schools for the training of technicians and leaders, at one time 7 Baillie schools <sup>1</sup> in which courses lasting two to four years were provided for carefully selected boys between 12 and 18 years of age. During the second half of 1946 a new programme was launched. Courses lasting two weeks to a month were held in five cities for the training of officers and members of co-operatives and federations. Scholarships have also been offered to some promising boys to gain technical experience.

*Government and foreign support*

The industrial co-operatives have received Government loans and subsidies, assistance from Government technical and research services, facilities for obtaining raw materials and orders from Government Departments.

From time to time there have been difficulties in regard to the degree of Government control and interference, and the leaders of the movement felt some anxiety that it might be turned into an administrative department.

Foreign and Chinese Committees, as well as leading personalities in Australia, Great Britain, Hong Kong, the Philippines, the USA and other countries have made large contributions to the movement in money, equipment and technicians.

*Difficulties*

In Rewi Alley's words, 'the difficulties that have been encountered in the whole CIC effort have been tremendous'. Not only

the difficulties which would normally arise in a task of the same nature in any country, but the very special difficulties of China, and a China at war; the transportation problem, the hoarding of necessary goods, the displacement of the front line and consequently of the co-operatives there, the bombing of workshops and depots. Another special evil was inflation, which took a heavy toll of the co-operatives, particularly of those which were not yet federated. Federations were able to assist co-operatives in obtaining raw materials at reasonable rates and in selling their products; but the isolated co-operatives were not all able to buy enough raw materials to keep ahead of the inflation spiral. Some of them were thus eliminated through no fault of their own.

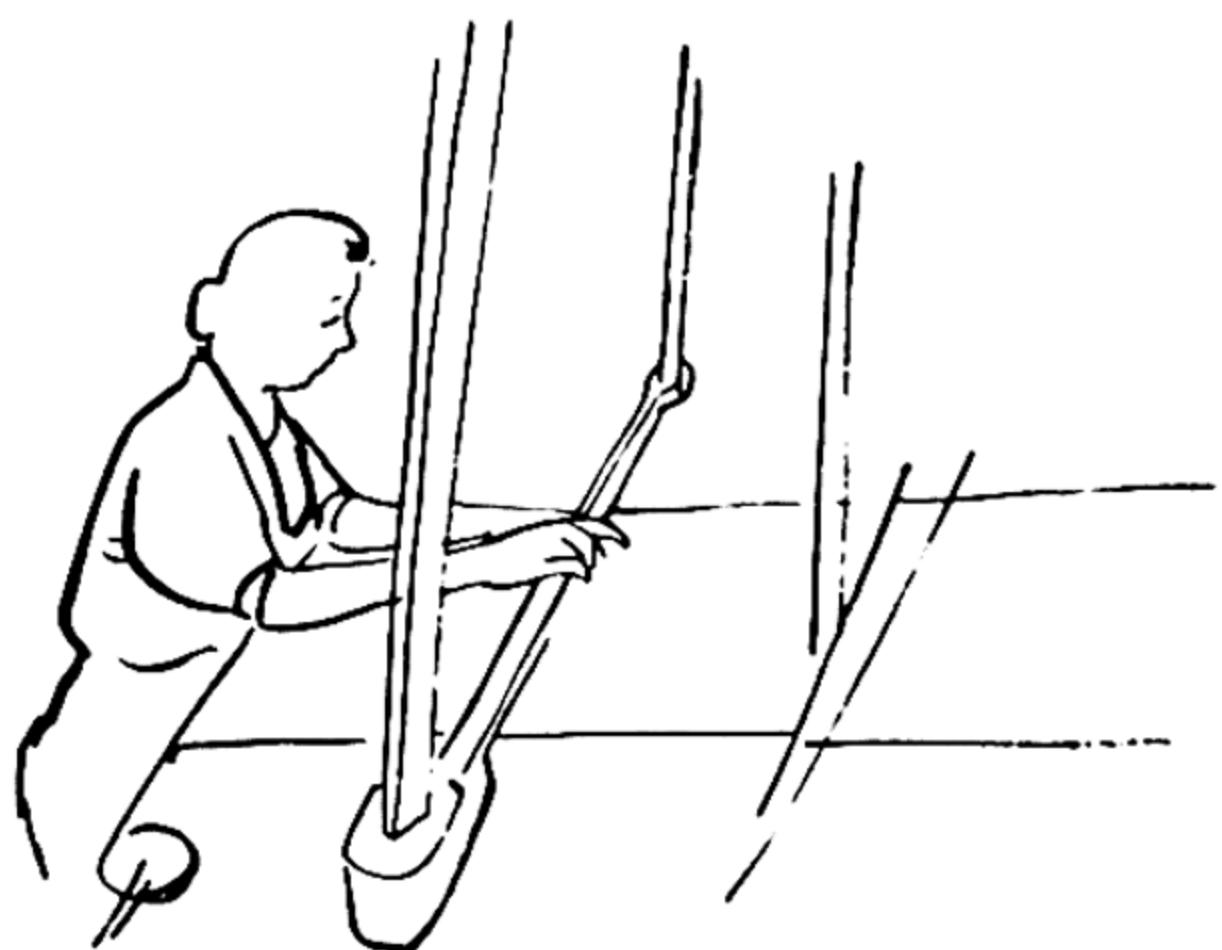
### *Crisis*

The end of the war did not, of course, make good the losses sustained. It added new difficulties to old ones : depressed markets, high production costs and the return of refugee members of the co-operatives. At the end of 1946 there were only 282 industrial co-operatives left, with some 3,580 members. The more important were : 102 in the weaving and textile industries; 27 in terrene; 34 in chemicals; 28 in metalworks. 18 district federations were still operating.

A conference of leading members held in February 1946 decided that a CIC Planning Committee should be set up. The general policy for the immediate future should be to consolidate the movement by developing industrial co-operatives, preferably in secondary cities, border regions and rural districts, on the basis of available resources and markets; also by strengthening existing sound or promising co-operatives and federations and rehabilitating those of good standing which had been forced to evacuate or dissolve owing to the hostilities.

The last figures available, at the beginning of 1948, showed a slight increase in the number of existing societies to 318.<sup>1</sup>

<sup>1</sup> *Gung Ho News*, Shanghai, May 1948.



### THE MADRAS HANDLOOM WEAVERS' PROVINCIAL CO-OPERATIVE SOCIETY

The handloom industry is, after agriculture, the largest single industry in India. Although it supplies only about 25% of the total cloth consumed in the country, it employs over 85% of the textile workers.<sup>1</sup>

Leaving aside the factory workers, the weavers may be classified in three main categories : independent weavers; contract workers, who work on a contract basis for a merchant (who is often also a moneylender) although they work in their own homes with their own tools and yarn; out-workers who work in their own homes with the raw material provided by the middleman for a fixed piece-wage.

Unsteady employment, the toll exacted by middlemen, chronic indebtedness (often aggravated by improvident habits) made the economic condition of the handloom weaver increasingly worse in the course of the ten years or so preceding the last war.

Some effort was made to form co-operatives, the chief functions of which were to provide the weavers with credit, and more recently, with raw materials, and sometimes with equipment. Most of these societies, however, were weak, and being unfederated they lacked the support of central organizations for their financial needs and trading activities.

Co-operative efforts, therefore, had achieved comparatively little until 1935, when the Government of India took up the problem of reviving the handloom industry by giving subsidies to the Provincial Governments.<sup>2</sup>

<sup>1</sup> Report of the Fact Finding Committee (Handlooms and Mills). Government of India Publication, 1942, p. 205.

<sup>2</sup> Review of the Co-operative Movement in India 1939-1940. Published by the Reserve Bank of India.

During the war and the post-war period a greatly increased demand for the products of the handloom industry called for more Government measures to increase production and to encourage the industry. Today it is the definite policy of the Central Government to assist in organizing, developing and modernizing handicrafts and cottage industries as a part of the general industrialization programme.

The steady revival of the handloom industry in the last ten years, and the joint action by Government and co-operatives, may be conveniently illustrated by an example from Madras.

The Madras Handloom Weavers' Provincial Co-operative Society mainly comprised handloom weavers co-operatively organized but a number of co-operative banks, firms and individuals have also been admitted as members.

In 1935 the Society was entrusted with the administration of the grant from the provincial budget to support the handloom industry. Under this scheme it started to co-ordinate the activities of the separate weavers' co-operative societies; to help them to procure raw materials; to help the weavers to produce improved and readily marketable patterns and designs; and to arrange for the marketing of their finished goods.

### *Re-organization*

During the war the Provincial Government, satisfied with the services already rendered and recognizing the difficulties of the weavers, assisted the Provincial Society to re-organize itself at the beginning of 1943 so that it might expand its business. In consultation with the Board, the Registrar of Co-operative Societies appointed an experienced Managing Director. The yarn requirements of the Provincial Society and its affiliated primaries were treated as a Government demand and the supply was, and still is, arranged by the Provincial Textile Commissioner. In addition, the Government guaranteed the loans granted by the Madras Provincial Co-operative Bank to the Provincial Society, which is now carrying on its trade with its own funds.

### *Present activities*

Under this new arrangement the Provincial Society has considerably broadened its rôle as the economic and financial centre of the handloom weavers' co-operatives. It now has a network of 49 emporiums in urban areas. It runs directly six collective weaving centres, five dye factories, three experimental factories and one screen-painting factory.

*The distribution of yarn*

With the help of the Government the Provincial Society receives orders from primary societies one month in advance and sends the consolidated indent to the Provincial Textile Commissioner through the Registrar of Co-operative Societies. The yarn is then distributed through the emporiums to the primary Co-operative Societies in proportion to the number of looms they use. The primaries in their turn give the yarn to the weavers, subject to the condition that these hand over their entire production to the societies in exchange for reasonable wages, which are regulated by the societies from time to time in accordance with market conditions.

In the collective weaving centres the distribution of yarn (as well as the production of cloth, etc.) is directly supervised by the Provincial Society.

*Distribution of coloured yarn*

Five dye factories now maintained by the Provincial Society have been established for the supply of coloured yarn to the primary weavers' co-operative societies. Their combined output, however, is not sufficient (217,725 lbs in the year 1945-46) to meet requirements, and the Provincial Society intends to open other factories. In the meantime many of the primary weavers' co-operative societies are dyeing their yarn with private dealers. To ensure that the shades are fast, and guaranteed, panels of dyers were formed under the direct supervision of the local Deputy Registrars of Co-operative Societies.

*Distribution of hydrosulphite of soda*

Owing to the scarcity and high price of this chemical the Provincial Society was recognized by the Textile Commissioner as the sole distributor for the whole of the Province with effect from 1 April 1944. The Provincial Society obtained and distributed 124 tons during 1944-45 and 186 tons during 1945-46.

*Collective weaving centres*

In 1945-46 they employed altogether 2787 looms. They are intended to be ultimately converted into workers' productive co-operative societies.

*Experimental factories*

The three experimental factories directly run by the Provincial Society have been equipped with frame looms of the latest types and also with a twisting machine and a warping mill. Weavers

from villages are trained there in the art of weaving new patterns. They are paid subsidies by the Provincial Society during the period of their training.

#### *Subsidies for improved equipment*

The primary weavers' societies are helped with subsidies at a rate not exceeding 60 rupees a month; they are directed to use the grant for replacing throw shuttle looms by fly shuttle looms. By these and other arrangements it is hoped that the standardization of handloom goods may soon become possible.

#### *Marketing*

The introduction of new designs is encouraged by qualified designers whom the Provincial Society employ, one in each district. The Provincial Society purchases 50% of the goods produced by the primary societies and sells them retail through its 49 emporiums and also, particularly in the rural districts, through the consumer co-operatives.

The primaries receive the actual cost price, plus 9 $\frac{3}{8}$ %. The retail price (bearing all the expenses of transport, packing, etc.) is calculated as the cost price plus 18 $\frac{3}{4}$ %.

#### *Progress made*

The following figures show the progress achieved from the year 1935-36 to the year 1942-43 (the year of the re-organization of the Provincial Society) and to 1945-46 :

	1935-36	1942-43	1945-46
Number of weavers' co-operatives affiliated	43	227	336
Number of members.	2,538	36,441	(50,662) <sup>2</sup>
Number of looms worked.	(2,453) <sup>1</sup>	18,443	(29,816) <sup>2</sup>
Total sales of weavers' co-operatives.	Rs. 100,174	9,583,177	34,414,522

### CO-OPERATIVE ORGANIZATION OF A COTTAGE INDUSTRY IN INDONESIA

A study on *The Industrial Development of the Netherlands Indies*, submitted to the Eighth Conference on Pacific Relations,<sup>3</sup> cites examples showing how, through co-operative organization,

<sup>1</sup> In 1937-38.

<sup>2</sup> In 1944-45.

<sup>3</sup> Peter H. W. Sitsen. *The Industrial Development of the Netherlands Indies*. New York. Institute of Pacific Relations. 1942.

cottage industries and handicrafts may be developed and how the people engaged in them may maintain their economic independence and raise their standard of living.

Cottage industry is there defined as the production of commodities by agriculturalists in their spare time by the use of hand tools in order to add to their income, while small scale industry is taken to mean handicraft workshops with less than fifty workers, particularly those working with hand tools and with no important mechanical aids. All other secondary production is classified as factory industry.

#### *Improvement of technique*

In order to meet the needs of the cottage and small scale industries, in which several million workers earn their living, the Government set up an extensive educational service, with a large number of consultation offices, a large staff of technical and economic instructors and a staff of travelling vocational teachers. These are chosen from the best Indonesian craftsmen and given special training in Indonesian vocational conditions. Travelling with one or two assistants and good, simple tools, they call on thousands of workshops and teach everyone, from the apprentices to the head of the enterprise, the use of good equipment and improved technique. Being workmen themselves, they explain the proper use of material and costing practice, give information on price fluctuations and teach how to judge the quality of raw materials. These men, together with the instructors doing more general work, played a leading part in replacing the middleman, or *bakoel*, by co-operative organization.

#### *The bakoel*

Most of the products of the cottage industries are traded by members of the family in their own village; some are bought by traders and sold further afield, or even exported. The raw materials are often provided by a middleman, in which case the finished article is delivered against payment of a wage.

Since he controls access to raw materials, splits up the work among the craftsmen and workers, is conversant with their needs and offers them credit, this middleman, or *bakoel*, keeps them dependent upon him and thus has a powerful and lucrative position. In certain instances *bakoels* have received between 50 % and 70 % of the earned income of the furniture industry.

#### *Co-operative experiment in the District of Soekaboemi*

A fairly important cottage industry making agricultural implements for local use grew up at the beginning of this century in

the villages around Soekaboemi, a small town in West Java. From this a small scale industry developed, which extended its production to all types of cutlery. The hammering of blades, etc., was done in small scale industry shops with from four to ten workmen, while the handles of horn, bone, wood or tortoise-shell were made by cottage industry. The knives were then assembled in the shops and sold locally.

Between 1935 and 1939 a demand by consumers for better workmanship urged the workers in small scale industry to greater efforts inspired also by the feeling of obligation to give mutual assistance, traditional in Indonesian life under the name of *sambatan* or *sambat-sinambat* when referring to the community and *toeleng menoeloeng* when referring to individuals. With the assistance of travelling vocational teachers and other instructors, a number of small scale shops came together for co-operation, and within two years organized some 1,200 workers into a co-operative union, called Industrial Central.<sup>1</sup> This Industrial Central built a finishing plant for the joint account of its members, in which the most skilled workers from the various small scale workshops were brought together and where polishing and boring machines, as well as other equipment, were installed. The workshops which were linked up and co-operating with the Central undertook to bring in every week a specified amount of work, such as blades, with the handles made in cottage industry. The semi-finished products thus brought in were made from materials and models provided by the Central and were delivered to the Central for a reasonable price, jointly decided on by the members. The objects were inspected for quality and form at the time of delivery to the Central and badly made pieces were handed back to the workshops for improvement. The approved pieces were finished and assembled and then packed and sold to dealers. Profits were shared among the workshops according to the quantity of goods they delivered, subject to certain control by the elected management of the Central as to the disposal of the money. It was agreed in principle that a part of the profits should be used for acquiring better tools for affiliated small scale shops.

In this arrangement appears a new form of industry by which the Indonesians have established, on co-operative and federative lines, a business as complex as that of a big factory, by the combining of cottage, small scale and factory industries.

<sup>1</sup> In the same period agricultural centrals were also created : tapioca centrals, vegetable oil centrals, etc.

*Other instances*

The same co-operative and federative structure is found in other handicrafts and small scale industries, such as the weaving industry, in which shearing and weaving are done in small scale (or even factory) industry, while winding, spooling, washing and sewing take place in the cottage industry; the batik industry; the furniture industry, where the manufacture of the composite parts is given out to the small scale workshops while finishing and sales take place through the Centrals; and the pottery industry, in which moulding and firing are done in small scale industry while glazing, packing and shipping are effected through the Central.

*Results*

This system, well adapted to the mentality of the population, has resulted in a great growth of small scale industry. The establishment of the Centrals, often directed by Indonesian handicraft teachers and the best educated of village craftsmen, has removed many social and technical shortcomings. The small scale workers recognize that they have an obligation towards the central finishing plant as if towards their own village or community, and feel it their duty to do good work and make prompt deliveries. Their economic condition has improved : in cottage industries, so far as they were controlled by *bakoels*, the wage was extremely small and represented little more than spare time earnings; where the cottage industry co-operated with the Centrals, wages, although not high, were about on a level with what would be earned in farming.

### THE CO-OPERATIVE FOR THE CONSTRUCTION OF AGRICULTURAL MATERIAL, AT BELLEGARDE, FRANCE

This experiment began in 1946, and so has not been in existence long enough to enable positive conclusions to be drawn. Nevertheless, its formula is particularly suggestive and deserving of attention.

The Bellegarde Co-operative for the Construction of Agricultural Material is made up of scattered and independent workshops which are nevertheless the economically co-ordinated elements of the same great enterprise. It thus recalls that form of industrial production which Frederic Le Play called a 'collective factory' (and which perhaps would be better named a 'decentralized

factory' or, as Charles Gide suggested, a 'scattered factory') — it is a co-operative form in which the guiding idea is no longer gain, but service.

Those of the collective factory working at home are former independent workers who have lost contact with the market and can re-establish it only through the costly intermediary of a contractor. But the artisan wheelwrights and coach-builders, the small industrialists who have grouped themselves into the Bellegarde Co-operative, have acted so as to avoid this fate : they have collectively made themselves the masters and not the servants of the undertaking which co-ordinates their activities and places them in connection with the market.

#### *Aim of the co-operative*

Strictly speaking, although that is the goal which they have achieved it was not the first aim of the members of the society. A less ambitious but more vital idea was the source of their activity. Lacking the wood, iron and rubber needed for manufacturing the farm vehicles (tip-carts, wagons, etc.) which the farmers of their region needed, they grouped themselves together so as to obtain better supplies from the official distributor and also so as to establish contact with the General Confederation of Agriculture and to receive, with its aid, certain quotas of raw materials set aside for agriculture.

As frequently happens, once they were launched, they soon became aware of new common needs, and looked to the joint undertaking which had been established by them to meet those needs.

Considered in its main outlines, the basic problem has remained the same. It was and still remains a double one : (a) to ensure the full employment of a category of industrial producers; (b) to supply agriculturists, in the best possible conditions, with the necessary transport equipment.

#### *Composition*

On 30 November 1948, the co-operative had 50 members in several departments of the south-east. Its members must be artisans or small industrialists. An industrialist employing more than 20 workmen cannot be admitted as a member; subject to the agreement of the Board of Directors he may, if he wishes, work for the co-operative as a sub-contractor.

The organs of the association are the same as those of all co-operative societies : a sovereign General Assembly, a Board of Directors, and the Management.

It is necessary, however, to indicate one special characteristic : the General Confederation of Agriculture has two seats on the

Board of Directors, one of which represents trade union interests, and the other general co-operative interests; and it has only the right to advise.

The Society's means of production consist of scattered workshops (with a total area of 15,000 square metres) housing about 800 machine-tools, employing 200 workers and capable of employing twice as many. These workshops can easily produce 150 vehicles per month.

The concern contents itself with exercising for the benefit of its members the functions which would be exercised by the contractor of the 'collective factory'. It is therefore very simple and has only a few offices: centralization of orders for raw materials, research and inspection, management.

### *Working of the co-operative*

As in the 'collective factory', the members of the co-operative receive the raw materials from the entrepreneur — the Society — but they are free to make up orders according to their own needs and possibilities and to send them in to the management. The latter enters all such orders on the same schedule, with an indication of the kinds and quantities of materials for each co-operator. The schedule is sent to the supplier who, in accordance with a previous agreement, is willing to deliver to individual co-operators and to charge them wholesale prices plus the cost of transport.<sup>1</sup>

Again as in the 'collective factory', each co-operator works in his own workshop and has his own equipment. He is free to conduct his work as he desires and, contrary to the position in the 'collective factory', he can maintain direct relations with his clients, receive the orders himself, execute them according to specifications and deliver the products directly to the client. He can also, according to his means, take part in the manufacture of material according to the plans drawn up by the research office. It is, indeed, one of the tasks of the management and of the research office to prepare prototypes of the material to be manufactured. This work is done with the help of the members of the co-operative who, being in direct and permanent contact with the users of the material, make useful suggestions as to the kinds and qualities of material and the methods of manufacturing it.

The projects of the research office are carried out only after approval by the General Assembly. They generally result in the manufacture of standardized material at the rhythm of industrial production. Thus each member of the co-operative may work

<sup>1</sup> For the purchasing of raw materials and machines the artisans can receive short-term loans from the Agricultural Credit Bank.

according to his own possibilities, construct entire vehicles or simply one or more parts.

The workshops which are best equipped for staff and machinery specialize in assembling vehicles with parts manufactured by others. If one of them wishes to improve its production by altering its machinery or working methods, it can send in a request to the central research office, which will place a technical adviser at its disposal.

An artisan who constructs an entire vehicle delivers it direct to the client at the price fixed by the co-operative. He receives the price for it (one-third at the time the order is made, and the rest on delivery), of which the co-operative appropriates a certain percentage. The amount of this appropriation is fixed each year by the General Assembly : in 1948 it was 5%. The system is slightly more complex in the case of direct sales by the workshops which assemble the vehicles. Each of the artisans who have participated in the manufacture of certain parts is, of course, paid according to a scale of prices per unit.

As they are geographically widely distributed, the co-operative workshops can easily undertake the upkeep and repair of material without obliging the farmers to make costly journeys.



## HEALTH AND HYGIENE



## THE YUGOSLAV HEALTH CO-OPERATIVES

*Origin*

The health co-operative movement began after the war of 1914-1918, as the result of a successful collaboration between the delegate of the Serbian Child Welfare Association of America (Dr. Reeder), a Serbian doctor (Dr. G. Kojic) and the secretary of the General Federation of Co-operative Unions (Fr. M. Prohaska).

*The problem*

According to a survey made in 1912, 72% of Yugoslav homes were damp, dark or overcrowded; 12% had no panes in the windows, but simply paper or wood, 30% had no lighting facilities; 38% had no beds, 20% had neither chairs nor tables; 30% of the households had no table-ware other than half-a-dozen plates and two or three spoons; 8% had no heating facilities; 37% of the people ate meat only on very rare occasions; 95% had no

reliable drinking-water; 69% could neither read nor write; 92% did not possess a single book; 88% were deprived of all medical care. Country districts had only one doctor for every 12,000 inhabitants (one per every 860 in the towns).

The death-rate was very high. According to Dr. G. Kojic, '... in 1923 and 1924, 23 to 27 out of every thousand died each year; 48% of the deaths were due to epidemics... Half of the children born in Serbia died before reaching the age of seven. Even before the war, in Serbia, approximately one person in every family suffered from tuberculosis or was an invalid.' <sup>1</sup>

### *The conditions of the solution*

The founders of the movement were guided in their efforts by the three following principles :

*a)* Health problems cannot be solved in country districts in exactly the same way as they are solved in the cities. The solution cannot be uniform nor rigid, for by virtue of their geological, geographical, topographical, economic and social nature, rural communities differ greatly from one another, much more than is the case with cities.

*b)* Education by means of propaganda campaigns is not sufficient; school-instruction is more effective, because it tends to create habits; but it is directed more to the future than to the present; and it is not certain to succeed, for if the pupil is taught habits radically different from those which he learns at home, he is liable to resume the latter as soon as he leaves school. Aid must be given to the school itself by acting directly on the family environment and on the population as a whole. It is not enough to give advice; the material conditions, enabling those who receive the advice to act upon it, must be created. Hygienic habits will be formed automatically by the use of the articles necessary for the application of hygienic rules. The problem reduces itself, then, to encouraging such use by enabling the people to procure articles of cleanliness, medicaments, medical attention, etc.

*c)* Improvement in health conditions, particularly in the country, demands the active support of the people of the community. Hygienic rules cannot have a lasting effect if they are imposed by force and do not gain the understanding, the assent, and even the co-operation of those who are bound to observe them; and further, the absence of this co-operation increases the cost of the entire health programme, which is thus doomed to failure unless it is constantly upheld by outside authorities. Voluntary participation, on the contrary, is a sign that the people realize that a

<sup>1</sup> G. Kojic — *Co-operative Reconstruction*. Belgrade, 1925.

need exists and will accept or create the means necessary for satisfying the need.

That does not mean, however, that there is no place for the intervention of public authorities or of philanthropic institutions in the field of rural hygiene.

For these reasons, the founders decided that the best method for attaining their ends was the health co-operative, in which all the members are directly and personally interested and in which they participate with equal rights and obligations. One more factor strengthened this decision : health co-operatives were able to draw strength from the traditions, experience and assistance of a co-operative movement (chiefly rural) already firmly established.

#### *The aim of health co-operatives*

Their aim is to establish doctors in the villages, to guarantee them a livelihood not depending directly on the fees paid by individual patients, to ensure the cheapest possible distribution of medicaments and articles of hygiene, to train the inhabitants to adopt hygienic habits, to devise and enforce the necessary preventive measures, to undertake the necessary drainage works, ensure water-supply, improvement of sanitary conditions, etc.

#### *The undertaking*

By the democratic manner in which it is run, the health co-operative does not differ from other kinds of co-operatives. Its originality lies in its nature and objectives.

#### *Its working*

The society's capital naturally consists of the contributions of its members. Before the war of 1939-1945, the contribution of each member, fixed by the society's articles, varied from 10 to 100 dinars,<sup>1</sup> according as the number of members was higher or lower; the average was about 50 dinars. In order to cover possible debts of the co-operative to third parties, each member assumed a financial liability for ten times the amount of his contribution.

In an increasing number of societies the working capital disposes of additional resources, thanks to the constitution of a ' health fund ', which also constitutes a kind of health insurance. Payments into this fund are generally optional; they can be made compulsory by decision of the general meeting. The amount of each payment varies inversely to the number of members; if membership is large, rates are low and vice-versa. The relatively large societies have fixed the rate at 60 dinars per annum. In

theory, payments are made monthly. In practice, they are generally made at harvest-time. Members may always contribute in kind, by giving products (milk, cheese, etc.) which are then sold by the agricultural co-operatives.

This system guarantees to the co-operative regular resources, since the amount does not depend on the number of patients treated. In the societies in which it operates, it enables treatment and medicaments to be given to members at still lower prices than in the others. Moreover, in the societies whose financial situation permits it (generally speaking, those whose members are relatively numerous), payments into the 'health fund' give a right to free medical consultations.

These payments have another advantage. Approximately one fifth of them is allotted to a relief fund, used for granting short-term loans in case of sickness or death, or the erection of buildings for health purposes.

### *Health Stations*

At the beginning, a health station is of a very simple nature. In the village chosen as centre, a few rooms, rented for the occasion, house the consulting room; a dispensary of a standard type, carefully thought out; one or two other rooms for meetings; and occasionally showers or baths. The co-operative also has one or two bed-rooms for patients seriously ill.

The staff consists of a doctor, assisted in some cases by a nurse or midwife. The doctor resides in the village. He is preferably a married man and is assisted in his various duties by his wife. Sometimes the doctor is a woman.

Whether consultations are paid for or not (according to the insurance scheme mentioned above), the doctor's fees are derived from the general funds of the society. As far as possible fees are, in proportion to services rendered, and do not depend on the ability of the patients to pay. They consist of: (a) a fixed salary (with additional sums for private visits, night work, etc.) determined, as well as the periodical increments, in accordance with regulations agreed upon by the Union of Health Co-operatives and by the doctors; (b) a salary varying according to the number of the members of the health co-operative, the number of medical examinations, etc., the rate of which is fixed by the board of directors of each co-operative in agreement with the doctor and with the Union's approval.

### *'Health Houses'*

Although modest, the health stations enabled the most urgent tasks to be tackled. They were gradually improved, and some

of them became proper Health Houses — the first of which was set up in 1928.

Health Houses comprise as a rule the doctor's family residence, a fully equipped consulting room, waiting-room, a dispensary (to which a laboratory is sometimes attached), several sick-rooms, sometimes rooms for nurses, rooms for out-patients, showers, and in most cases, baths. Some have a school polyclinic, a maternity ward, a nursery, etc., and most of them have annexes for vocational training (kitchen-gardens, stables, etc.). All have meeting rooms, lecture rooms, teaching equipment, and often a small library. At least one of them has an open-air swimming pool. In theory, the Health Houses are open to members of the other village co-operatives (credit co-operative, co-operative for the selection of cattle, for the sale of corn, etc.).

### *Activities*

*Curative Medicine* — The fee for a consultation, if the 'health fund' did not exist, would have been from 5 to 10 dinars. Medicaments were supplied at prices from 20 to 30% lower than ordinary prices. It has been estimated that the average expenditure per patient (for consultation and medicaments) was only one-third of what it would otherwise have been.

*Preventive Medicine* — Health co-operatives undertook to vaccinate, free of charge, all the inhabitants (whether members or not) of the district in which they carried out their activities. In the majority of cases, babies, children, mothers and expectant mothers were visited once a week, free of charge, by the doctor of the co-operative. Baby contests were organized. Some co-operatives installed nurseries in which young children spent the whole day under the care of experienced persons, and under the medical supervision of the co-operative's doctor. The latter was also entrusted with the medical inspection of primary village schools. Children of delicate health were kept under observation and had to report regularly for medical examination. This examination was free, and those in very poor circumstances received medicaments free of charge. This care of children was part of a wide campaign against the principal social and endemic diseases such as malaria, tuberculosis, venereal diseases, trachoma, alcoholism, etc.

*Improvement of village sanitary conditions* — This was achieved by works of the most diverse kind, carried out largely or entirely by the members of the co-operative : the construction of water-mains and wells for drinking water; the setting up of manure pits, latrines, refuse dumps, the repairing of stables, henhouses, sometimes even of dwellings and streets.

*Education in hygiene* — All such activities were a part of a persistent

and methodical effort to give education in hygiene. Although theoretical teaching was not neglected, preference was given to active forms of education, where hygiene questions were introduced into the daily life of the peasants as being connected with the practical issue of earning a living.

Such efforts gave rise to the 'Youth Sections', 'Women's Sections' and the 'Veterinary Sections' of the health co-operatives.

The theoretical and practical programme of the youth sections comprised general training in co-operative work, hygiene and methods for the improvement of crops or of cattle-raising. Each member tilled a plot of land given by his father and grew new kinds of vegetables, formerly unknown or extremely rare in his village; or several members would work together in raising certain animals — better-bred pigs or calves, poultry, bees, etc. The youth sections took an active part in the work necessary for the hygienic reform of the village and homes, for example by making furniture; their work was encouraged by competitions with prizes, competitions between individuals or sections. They thus made their own contribution to the common task; added further elements to the peasants' food, which, in general, was insufficient and not varied enough; gave new sources of revenue to each household; and supplied the village and the homes with the equipment in which they were lacking. Finally, from the moral and social point of view, they accustomed the young people to serve the community according to their ability.

The women's sections were first organized in 1931. Courses for women and girls were arranged on : questions of hygiene in general, certain kinds of agricultural work (kitchen-gardens, horticulture, farm-yard), household work, child-care, the way to keep a home clean and in good hygienic condition, the proper preparation of food (particularly the new kinds of vegetables grown by the young people), improvement of working methods (clothes, bedding, disinfection, preserving of vegetables and fruit for the winter, etc.). Exhibitions and competitions were organized in the same way as for the youth sections.

Just as the youth sections helped to improve the village sanitary conditions, so the women's sections assisted in running the homes and in keeping them clean, in ensuring that subscriptions were paid regularly, and that study courses and meetings were regularly attended. The village was divided into a certain number of houses. These groups were placed in the care of a responsible person, who gave advice, encouraged initiative, supervision and submitted reports. The households with the best reports received as a reward certain utensils which they



lacked. The prizes for the competitions between sections were of greater value, but were always of practical use and of an educational nature, such as, for example, a more up-to-date loom, which became the joint property of all members of the section.

The women's sections were also entrusted with the organization of festivals, concerts, and social entertainments, which was quite a feminist triumph in a Yugoslav village.

Later, and on the initiative of the peasants themselves, veterinary sections were organized, providing immediate veterinary attention for animals at the lowest possible cost, collective preventive measures, improvement of the quality of the breeds, and loans to owners of animals in need of veterinary attention, tending gradually to the establishment of a co-operative system of cattle insurance.

In 1938, 14 health co-operatives and cattle-raising co-operatives, with a total of 1,575 individual members, founded a special veterinary co-operative, whose activities extended to 37 villages.

#### *Relations with the Public Authorities*

From 1927 onwards the Central Institute of Hygiene, aware of the valuable work of the health co-operatives, began to collaborate, particularly in the struggle against contagious diseases. It ensured the technical supervision of the co-operatives, put materials at their disposal for exhibition purposes, granted subsidies for their work in improving rural sanitary conditions, helped them in the construction of nursing homes and bath-houses, and gave a certain measure of financial support. To co-ordinate efforts more effectively a health co-operative section was established at the Central Institute of Hygiene.

The Ministry of Social Affairs and Public Health also assisted the health co-operatives, chiefly by medical supplies and by grants for the construction of Health Houses.

An Act of 30 December 1930 gave the health co-operatives legal status, paid tribute to their work and stimulated their further growth. Their dispensaries were freed from the restrictive legislation applied to the creation and management of private dispensaries. The relations of the co-operatives with the Administration were also defined : health co-operatives being authorized to provide, in the name of the State or the *Banovine* health services normally assigned to the State or the *Banovine* ; qualified members of the co-operative staff were recognized as replacements for corresponding State health officials, and when performing any such public duties, they were entitled to assistance from the administrations concerned. The Act expressly provided for permanent State aid to the Union of Health Co-operatives, on the budget of the Ministry of Social Affairs and Public Health.

### Results

The first health co-operative was founded on 21 November 1921. In 1922, the existing co-operatives formed a Union.

In 1923, there were thirteen societies, with a total of 5,049 families. At the end of 1938 there were 134. These co-operatives, or more precisely 125 of them, had a total of 65,586 members, but had an interest for about 390,000 persons, as a Yugoslav family consisted on an average of six persons.

They formed 25 nursing homes, four of which had X-ray equipment. The Union of Health Co-operatives had equipped a travelling hospital for dental treatment, which visited all of the health co-operatives.

During the year 1938-1939 the 125 co-operatives which submitted reports gave medical attention to 136,187 persons, thanks to the services of the 95 doctors employed by them; 10,230 persons suffering from malaria were cured; 1,714 expectant mothers and 3,297 babies were medically examined; 2,780 babies, 2,505 children from 1 to 7 years of age, and 6,043 children of school age received attention in their dispensaries. Moreover 18,631 school children had been medically examined (as against 7,640 in 1925).

The number of veterinary sections rose from 14 in 1934-1935 to 105 in 1938-1939; 59,335 pigs were vaccinated in 1938-1939 compared with 1,597 in 1934-1935.

All the activities carried out and all the results obtained by the health co-operatives cannot be expressed simply in figures. The following appreciation of them appeared in an article in the *International Labour Review*.

‘They are in fact institutions with a special purpose of their own, but linked at many points with a movement which is constructed on the same lines as themselves and is also essentially a popular one; they are carefully adapted to their functions, as these are to the needs and possibilities of the situation; all their activities originate with the people themselves, and depend on the people’s will and decisions; and their members are both morally and materially bound up with the organization and bear the burden of the whole work.

By virtue of the many-sided interests that inspire them, the principles and methods that they follow, and the manifold and continual influence they exercise, they indisputably constitute, together with the other kinds of co-operative societies, a civilizing element in the village and perhaps the seed of a new organization of the rural community.

We have in fact seen that in obedience to the inner principle of their work, they gradually make their way into the whole field of education, reaching alike the child and his parents, the mother and the housewife, the father of the family and the farmer. From this point of view they are not only practical health centres; they also become, through the evening and Sunday courses, adult schools; and through the training they give in carpentry, concrete work and household arts and the improvements they introduce in stock raising, gardening, etc., vocational schools with a varied curriculum. Their teaching, it is true, takes everyday life both as its basis and as its object, but it is also directed to imparting general knowledge (science, economics, etc.) encouraging thought for its own sake, and developing the artistic sense, thus uniting technical instruction and cultural education. By giving the villages doctors they have at the same time enriched their intellectual life. For in the country the doctor is not merely someone who attends the sick and then lives his own private life; he is guide, philosopher, and friend to the village — not a healer only, but also an educator and adviser on all questions affecting the life of the people with whom he is in constant contact. The influence of the doctor and of the school teacher too, whose help they were usually able to enlist for their work, has contributed to make the health co-operative society a centre of cultural life in the village, thus reinforcing an inherent tendency of their nature !’

## AN EXPERIMENT IN BENGAL

*Origin*

Starting in 1932 on the initiative and under the supervision of the Visva-Bharati Institute of Rural Reconstruction, an experiment based on the Yugoslav pattern was conducted in the rural areas of the district of Birbhum, Bengal. At the suggestion of Rabindranath Tagore, the Superintendent of the village Welfare Department had previously been deputed, in 1930, to study the rural health organization in Yugoslavia.

*The problem*

From the medical relief point of view, the problem was roughly similar to that of many other poor rural areas : lack of sanitation and hygiene, quacks as substitutes for qualified doctors, ignorant *dais* for midwives, appalling female and infant mortality. In addition, Birbhum was one of the worst malaria infected districts of Bengal, and leprosy was widespread.

The Public Health Department reported in 1932 that the birth rate had been decreasing and the death rate steadily increasing for the previous 10 years.

*History*

In 1932, the first three health co-operative societies were started, and became self-supporting after only one year of activity. By the end of 1937, the number of societies had increased to ten, scattered in different parts of the district and covering 93 villages with a total population of more than 30,000. By the middle of 1938, 12 health co-operative societies were in operation. They had established their Union, where most of the doctors met once a week, comparing notes, discussing difficult cases, carrying out clinical examinations in the laboratory with the help of an assistant.

*Organization of the health co-operative societies*

The health societies, like all co-operative organizations, are associations of persons directly interested in the undertaking, and sharing in its management with equal rights and obligations. The Birbhum societies are run on the following basis :

1. Each society is formed with a minimum membership of 250 families. To obtain this membership, the organization may extend over more than one village.

2. Membership covers the whole family. Contributions are such as to be within the reach of the majority of the people. They are usually fixed at Rs. 4 per annum, in cash or in substitute-labour : clearing of ponds, building of drains, improvement of roads, etc. Members who cannot pay more than Rs. 2 pay the remainder by contributing free labour for 8 days of a year; those unable to pay anything in cash contribute free labour for 16 days a year.
3. Each unit maintains a dispensary, with a full-time medical officer possessing public health training.
4. Members are given medicine at cost price and receive medical advice at the dispensary free of charge. They are required, however, to pay a small fee for the services of the doctor at their homes.
5. The society is managed by a committee elected by the members.

### *The field of activity*

The activities of the health co-operative societies involve far more than mere medical assistance to the sick. An even more important part of the work is that of creating better hygienic conditions, in order to *prevent* sickness and disease : school health inspection and educative propaganda are undertaken, and sanitation and prevention work carried out with the help of organized squads of young men of the village. Such work includes the filling up of stagnant pools, the sinking of tube wells, the building of roads and drains, etc. Maternity and child welfare work is also part of the programme.

The idea behind the movement is to make the doctor in charge responsible for the community. He is therefore required to keep a record of the health of every member, and advise them from time to time. As his income is a fixed one, not depending on the number of his patients, and as the patients themselves are members of the society which employs him, he has no vested interest in their diseases and every interest in their goodwill. The entire work of sanitation and hygiene is thus placed in the hands of one single organization.

*Specimen of an annual budget for a Health Unit (pre-war figures)*

#### A) Non-recurring expenditure :

Cost of a dispensary house and quarters for the staff . . . . .	Rs.	650
Furniture . . . . .		60
One cycle . . . . .		40
Office equipment . . . . .		50
Initial stock of medicine and surgical equipment. . . . .		<u>200</u>
	Rs.	1000

## B) Recurring annual expenditure :

<i>Income per annum</i>	<i>Expenditure per annum</i>
Subscription from 150 fullpaying members at Rs. 4	Doctors's salary at $Rs.50 \times 12 \dots$ Rs. 600
Subscription from 100 halfpaying members at Rs. 2	Compounder's salary at $Rs.15 \times 12 \dots$ 180
Income from call fees, injection fees, etc. . . . .	Contribution to Health Union. . . . . 150
	Servant and sweep-er at $Rs.5 \times 12 \dots$ 60
	Contingency. . . . . 10
Total . . . . . Rs. 1000	Total. . . . . Rs. 1000

Note : Cost of drugs is not included, as it was expected that a charge of one anna per bottle would meet it.

*Achievements*

During the period August 1936 to July 1937, the number of visits of patients in seven health co-operative societies amounted to 14,548 and the doctors of the societies made 2,007 visits to members' houses. A central laboratory was set up by the Health Union. There has been a steady increase in membership in each society since its inauguration and about 40 per cent of the total population in the villages concerned is now covered by the scheme.

*Some references*

Rabindranath Tagore : *Health Co-operatives*. Institute of Rural Reconstruction, Sriniketan, July 1938.  
*Co-operative Information*. International Labour Office, 1939, no. 7.

**THE ANTI-MALARIA CO-OPERATIVES IN BENGAL***Origin*

The anti-malaria co-operative movement was created from the top downwards. An Anti-Malaria League was founded in 1912 to combat the ravages of malaria, which was responsible for more than one quarter of the total mortality of the province.

The nucleus of the first co-operatively organized village anti-malaria society was established in 1914. In view of the possibilities shown by this society, the anti-malaria league was converted into a central society for the co-operatives, with the name of Central Co-operative Anti-Malaria Society, Ltd.

### *Organization*

The Central Co-operative Anti-Malaria Society is not a federation proper, but a promotional agency of a non-official nature. Its members pay a yearly contribution of Rs. 6. Many of them have paid Rs. 500 to Rs. 1000 as gifts to the Society, and a good proportion of them are medical men. It may receive grants from the Government and local bodies.

Its objects are : organizing and financing local anti-malaria co-operative societies, purchasing wholesale the drugs and other necessities, providing advice and supervision. Small district federations have been formed, each comprising four or five local societies.

### *The activities of the local societies*

They are described as follows by S. S. Talmaki.<sup>1</sup>

' In the case of the rural societies carrying on the anti-malarial work, each member pays a monthly subscription varying from annas 4 to Rs. 1. Each society obtains some Government grant through the Local Boards. The work consists of cutting down the jungle close to the village, filling up cesspools, clearing tanks and pools, improving the surroundings of the dwellings and distributing quinine. The work is done under the supervision of a secretary. Each society tries to maintain a medical man on the subsidy system, and he attends the families of the members free of any extra charges. A quarterly statement has to be sent to the Central Society showing the cash balance and the work done. In some villages, a small dispensary is started, the local medical officer attending it for an hour or two free of charge. A spleen census is also being taken occasionally to test the effect of the improvement. Besides dealing with malaria, the societies take preventive and curative measures against epidemics like *Kala-azar*, cholera, etc. Some societies have undertaken the improvement of the local water supply by sinking tube wells. The success of the societies depends not only on the local workers but on the interest shown by strict Board and the District Health Officers. Thus, by self-help the difficult problem of rural health and

sanitation has to a certain extent been solved in several villages of Bengal, and the example deserves to be followed by other provinces.'

In their endeavour to prevent stagnation of water and silting up of water courses by constructing culverts, re-excavating channels and removing obstructions to drainage, such as bunds established without plans, or fishing bars, these co-operatives have gradually been led to intervene in the maintenance of the proper regime of the rivers and in irrigation work, thus collaborating with the Irrigation Department in its river reclamation activities. They have been led further and have become directly instrumental in improving agriculture.

#### *The Bengal Co-operative Homecrofter Association*

The idea of creating this Association came from the members of the Anti-Malaria Co-operative Societies. Clearing of the jungles is a continuously repeated and therefore costly process if the lands are not properly cultivated after clearance; such cultivation would then not only prevent malaria and considerable waste of money, but also provide the villager with fresh vegetables for their own use or for sale.

The Association was founded in 1927 and is organized as a corollary of the anti-malaria co-operative movement. Its membership is open to anti-malaria co-operative societies or to their members and to societies or persons interested in agriculture.

Its object is to induce people (particularly of the middle class) to develop kitchen-gardens, with their individual responsibilities and resources, on a homecroft basis on their own holdings during their spare time. The Association has an information bureau for the interchange of notes and experience among members; it also helps in the interchange of improved seeds and implements, in retailing fertilizers and in disposing of the surplus produce of the members. In 1930 the Association opened a stall in the municipal market of Calcutta for selling this produce.

#### *Some figures*

The number of anti-malaria co-operative societies grew slowly from 2 societies in 1917 to 19 in 1920. It reached 85 in 1923, then 384 in 1924 and 1,098 with 21,728 members in 1940.

CO-OPERATIVES AND FUNDAMENTAL EDUCATION  
INDUSTRIAL HYGIENE

A CO-OPERATIVE INDUSTRIAL HYGIENE CENTRE IN SHANGHAI

*The problem*

There exist in Shanghai many plants with only 5 to 50 workers whose high sickness rate has been a serious problem. These plants are small, and unable to pay for the services of a full-time doctor and nurse. It occurred to Dr. John Yui that they could collectively afford to maintain a clinic by contributing in proportion to the number of workers employed by each.

*The Co-operative Industrial Clinics*

In April 1942, thanks to his efforts and without any assistance on the part of the public authorities, the first co-operative industrial clinic was organized between seven coal briquette factories, employing 500 workers. It was a mobile clinic with one nurse who was sent to pay daily visits to the factories.

Three months later another group of 32 factories with a total of 2,000 workers united to form the second clinic with one doctor and two nurses who, besides performing clinical work, pay regular visits to factories and carry on prophylactic work.

In January 1943, the third clinic was organized by 57 factories employing 1,320 workers. It has one doctor and one nurse.

*The Co-operative Industrial Hygiene Centre*

In early 1943, a central body — the Shanghai Co-operative Industrial Hygiene Centre — was formed for the administration and finance of the three clinics. The membership fee per worker, which is payable by employers, was made uniform for all the clinics : it covers free consultation, surgical dressings, minor operations and ordinary medicines.

The number of member factories has increased since 1943, and in 1946 it stood at 476 with a total of about 10,000 workers.

A co-operative industrial hospital with a well-equipped operating room and a ward of 15 beds was set up in October 1943. Two new wards were added in June 1944.

Besides clinical work, the centre has been carrying on a health improvement programme, including sanitation inspection, diet supervision, physical examination, health education through lectures, plays, films, exhibitions and contests. A first-aid training class has been organized. A bi-monthly bulletin called *Industrial Hygiene* has been published regularly since 1944.

*Results*

While it is not possible to estimate accurately the actual results of these experiments, there has been a remarkable and consistent decline in the sickness rate among Shanghai workers as a whole, the morbidity rate being 23.36 % in 1942, 17.87 % in 1943, 12.12 % in 1944 and 5.83 % in 1945.

*Reference*

International Labour Office. *Co-operative Information*, Year 1947, No. 2.

**HEALTH CO-OPERATIVES IN SOME OTHER COUNTRIES**

The organization of health services, of medical attention, and sometimes hospital treatment, on a co-operative basis, has developed in a certain number of countries, particularly in America, in Asia and in Europe. Sometimes, particularly in industrial and urban centres, it derived from and remained linked with other pre-existing co-operative institutions (chiefly Consumers' Co-operatives and Insurance Co-operatives), either in the form of specialized branches of these institutions, or corporations; sometimes it gave rise to quite independent bodies.

**AMERICA**

*Canada.* The associations affiliated with the Wheat Producers, Co-operative of Manitoba contribute from their surplus (20 % for the financial year 1944-45) to the health programme of the Province.

They also contribute to the formation of group hospital co-operatives, which, during the financial year 1945-1946, reached the total of 271 in country districts, with a membership of 14,291 families (i.e. 51,471 participants).

The Credit Co-operatives (credit unions) of Ontario, and certain Consumers' Co-operatives of the Maritime Provinces, etc., have organized similar medical services in various forms.

*Cuba.* Forty Medical Co-operatives provide medical and dental treatment for their members. Some of them also maintain schools, libraries, clubs, etc.

*United States of America.* Chiefly at the instigation of Dr. Michael Shadid, who in 1931 established the first co-operative hospital in

Elk City, numerous Medical Co-operatives (health co-operatives and group health associations) have been formed. In 1947, these associations provided medical attention by specialists for more than 900,000 persons. Some of them ran hospitals. At the beginning of 1947, six co-operative hospitals were already functioning, and forty others were in the process of being organized. Twenty-four of them formed, in August 1946, the Co-operative Health Federation of America.

### ASIA

In Asia, the health co-operatives are on a more modest scale. In their various activities they resemble more closely the Yugoslav health co-operatives.

*China.* The Chinese Industrial Co-operatives (cic), and also certain rural credit co-operatives, have been concerned with raising the health standard at the same time as the economic standard of their members and of the inhabitants of their districts : improvement of the sanitary conditions in the village, bath installations, medical and surgical attention, vaccinations, etc.

*India.* In addition to the co-operatives against malaria in Bengal, there are a few health co-operatives in the same province, in the Punjab, in the province of Madras, etc. In several provinces, chiefly in the Punjab and in the United Provinces, the Better-Living Societies discharge some of the functions of health co-operatives.

*Japan.* At the end of 1936, 795 co-operatives provided medical services, and also exercised economic functions (credit, purchase, sale etc.). They had 467,732 members.

### EUROPE

Before the war Poland had a dozen health co-operatives, constituted on the model of the Yugoslav co-operatives.

Before the creation of these health co-operatives properly so called, the consumers' co-operatives, sometimes in collaboration with trade-unions and mutual insurance societies and certain large farm co-operatives, had established or helped to establish, in the countries where the co-operative movement first grew up, a whole network of institutions created for the protection or restoration of health — *Medical Benefit Co-operatives* — which have contributed to the health education of their members, and sometimes established consulting centres, radiographic services, sanatoria, etc.

## CO-OPERATIVES FOR THE REFORM OF CUSTOMS



### BETTER - LIVING, BETTER - FARMING, ARBITRATION CO-OPERATIVE SOCIETIES

Competitive extravagance in ceremonial expenditure, faulty habits of living, lack of hygiene, inefficient methods of farming, petty litigation, etc., are among the contributory causes of indebtedness, poverty and backwardness.

Reforms in these directions, however, run up against well-known difficulties. But, as has been observed, 'a novelty which is alarming for a single person is not alarming if a number of persons adopt it together.'<sup>1</sup> Hence the existence of co-operative societies which have been founded, mostly in Asia and partly in Africa, in order to combat the above-mentioned evils. Their object may be of a general nature (better-living societies) or a more limited one (better-farming societies, arbitration societies).

<sup>1</sup> C. F. Strickland : *Co-operation for Africa*. London : Oxford University Press 1933. p. 67.

*Better-living co-operative societies*

In their more general form, they have flourished especially in India — in the Punjab, the United Provinces, Bengal, etc.

Their objects, as set forth in the model by-laws, are to promote the economic interests of the members, and more particularly :

1. To reform bad customs prevalent amongst the members.
2. To improve the physical, moral, and spiritual condition of members.
3. To prevent the waste of money and inculcate habits of thrift.
4. To teach and practise rules of hygiene and combat epidemic diseases.
5. To cultivate the sense of self-respect and resist corruption.
6. To assist in arrangements for the education of members and their children, and for the organization of games and all useful occupations which render the life of the community more pleasant and liberal.
7. To promote other measures designed to encourage in the members the spirit and practice of thrift, mutual help and self-help.

They seek to attain their objects by substituting a new social constraint for the old one. Each member pledges himself to keep the rules adopted by the general meeting, concerning, for instance, the prohibition of firework displays, of dancing girls at marriages, the limitation of the number of guests at a feast, the maximum list of jewellery which a husband or father may give to a bride, and so on. The decision of the general meeting may also concern measures of hygiene, individual or collective, sanitation and vaccination. They may aim at encouraging education : the members bind themselves to send their children regularly to school, or the society pays a teacher and sometimes builds a school. There are better-living societies which devise ways and means of providing employment for the unemployed, or of developing cottage industries.

A fine is imposed by the committee of the co-operative society on any member who fails to keep his pledge.

As an illustration of the results of this method it may be mentioned that one better-living society in the Punjab is reported to have reduced the cost of marriage from Rs.500 to Rs.70 for a boy's family.<sup>1</sup>

*Better-farming co-operative societies*

The better-farming co-operative societies use the same machinery for popularizing and distributing selected seeds, improved implements, etc., and for diffusing efficient methods of farming.

<sup>1</sup> Eleanor M. Hough. *The Co-operative Movement in India: its relation to a sound national economy*. King and Son, London, 1932, XXVII plus 340 pp.

*Arbitration co-operative societies*

'A member binds himself to bring every dispute of a civil nature, which may arise between himself and a fellow member, to arbitration by the elected committee of his society or by arbitrators whom they may appoint. A member who resorts to a court of law without arbitration, in contravention of the by-laws and of his promise to obey them, is liable to the penalty of a fine by the society.'<sup>1</sup>

## CO-OPERATION AS AN AID TO PROHIBITION

## A MADRAS EXAMPLE

In the province of Madras, where prohibition has been introduced, as in several other provinces of India, the special prohibition staff of the Government has sought and received the full support of the co-operative movement. This support has taken the form of promotion of thrift, provision of alternative and subsidiary employment, both for the people formerly engaged in making 'toddy' (fermented juice of certain trees) and for those addicted to it. It is worth noticing in this connection that the Deputy Commissioner of Prohibition is a Joint Registrar of Co-operative Societies.

A total of Rs. 181,000 was saved and deposited in thrift societies up to the end of January 1948 in the districts where prohibition was in force. About 10,000 informal village associations (*gramasanghams*) have been organized for various kinds of joint activity, ranging from the construction of school buildings, sinking of wells and digging of manure pits, to street cleaning and community singing.

But perhaps the most effective contribution of co-operation has been in the provision of alternative employment of the former tappers of toddy-yielding trees. In some places, as an immediate measure, the tappers have been allowed to tap palmyrah and coconut trees for sweet juice, and have been organized into co-operative societies for the manufacture of 'jaggery' or crude sugar. In all, about 265 such societies, with nearly 28,000 members, have been organized, with a total production so far of one million rupees. In other places, nearer towns, milk supply societies and their unions have been formed.

<sup>1</sup> C. F. Strickland : 'The Co-operative Movement in Africa'. *Journal of the Royal Society of Arts*. June 1943. p. 13.

Former addicts to alcohol have in a few cases been organized into societies for miscellaneous rural crafts, such as carpentry, leatherwork, mat-weaving, basket-making, etc. Similarly, societies of former tappers have been formed for making various products from locally available raw materials — mainly fibre from palm trees. Efforts are also being made to impress upon the women-folk the necessity of thrift and the usefulness of cottage industries.

### REHABILITATION OF BACKWARD TRIBES IN THE MANDLA DISTRICT, CENTRAL PROVINCES, INDIA

#### *The problem*

The Gonds, who number about 3,000,000 in the Central Provinces, are among the 'backward' tribes who live a very primitive life in jungles. The problem is to bring about their educational, economic, physical, social and cultural improvement and to draw them into the orbit of civilization.

This vast problem has been tackled for years by Christian missions. A Hindu welfare organization, the Gond Sewak Sangh, founded in 1944, is now also in operation, in collaboration with the Education Department and with the Co-operative and Rural Development Department.

#### *The main lines of approach*

The programme of action may be summarized in three words : education, health, co-operation.

Primary schools and a few middle schools have been established, mainly on the periphery of the Backward Area. As a good many of the boys and girls attending these schools live a long way off, some of the schools are equipped with canteens and dormitories.

On the whole, teaching is of the same nature as that in schools elsewhere. In addition, there is industrial and agricultural training : carpentry, spinning, ropemaking, toymaking, basketmaking, gardening, etc.

Propaganda in favour of prohibition, co-operation, sanitation and adult education is made, 'Karma' songs and 'shails' dances, popular among the aborigines, being used to this end.

Medicines manufactured by the Bharat People's Medical service in Hyderabad are supplied to all the schools for free distribution. According to a recent report, more than 2,500 patients had benefited by March 1947.

*Co-operation*

A Co-operative Development Scheme has been set up to supply the aborigines' domestic and agricultural requirements (improved seeds, manures, implements, etc.) and to give them better facilities and better prices for their produce.

To this end, the Province has been divided into ten districts, each with a District Organizer.

In the Mandla district, by the autumn of 1947, 40 multi-purpose co-operative societies had been registered, out of 50 which were planned to be organized up to the end of March 1948.

In the interior of the Backward Area the membership of these co-operatives is predominantly or exclusively aboriginal, though it includes non-aboriginals on the periphery.

Most of the co-operatives work in close contact with the staff of the Co-operative and Rural Development Department. Some of those which are established in the interior are said to be independently operated by the aborigines and to be among the best managed.

Besides supplying the main necessities of life, they collect and market the produce of their members, i.e. some ghee and forest produce. Harra, a tanning product, is the most important of them; as it is mainly destined for distant markets and export, the trade was in the hands of a few big merchants who exploited the aborigines.

The Mandla District Co-operative Agricultural Association serves as the supply and marketing centre for the multi-purpose co-operative societies. It supplies them with controlled articles such as sugar, yarn, iron, salt, etc. It was also granted the lease for harra for three years.

*Government assistance*

The Provincial Government is promoting both the educational and the co-operative schemes by providing staff (one organizer, some 50 managers and co-operatives, teachers for primary and middle schools), an annual grant to the District Co-operative Agricultural Association for expenses on organizational work during the initial stages, and a loan for the construction of warehouses and purchase of trucks.

## REHABILITATION OF A VILLAGE IN CEYLON

The following note is taken from *Administration Report on the working of Co-operative Societies* by G. de Soyza, 1946.

‘ Until very recently (this village) enjoyed a great notoriety for crime, and in view of these unenviable antecedents I have thought it proper not to reveal its true name and am disguising its identity under the fictitious cognomen of ‘ Koheda ’. Two years ago Koheda was a stranger to co-operation, although it was long since the movement had reached the outlying villages. A determined young officer of the Department then took it under his wing, and the regeneration that followed is described by the Assistant Registrar of the Division : membership in the Koheda Societies, given only to men of steady habits and good character, began to be considered by the villager of this area the highest honour attainable. And today the Credit and Thrift Societies of Koheda boast a membership of over 500. The deposits in the Women’s Thrift Societies alone amount to over Rs. 18,000, and crime in these parts, where gambling, drinking, cattle-lifting, stealing of food crops, brawling and the use of the sword were so rife, is now reduced to a mere nothing, as publicly declared by the local A. S. P. at a propaganda meeting held in the village in March 1945. Co-operation has, it may be truly said, met with signal success in the social and economic development of Koheda ’.

## CO-OPERATIVE EDUCATION AND THE TRAINING OF LEADERS



### GENERAL ASPECTS OF THE PROBLEM

Since co-operative societies are business enterprises as well as organs of social progress, they will only be what their members, their leaders and their executive staff make them.

The most urgent and perhaps the most essential task is therefore not to establish co-operatives but to train co-operators; that is to say, people understanding the advantages and conditions of work in common, trained in co-operative principles — which are above all ethical principles — familiar with the structure and methods of co-operative organization, and clearly conscious of both the immediate and the more distant or general aims to be achieved; conscious also of the possibilities and limits of co-operative action. The administrative and executive staff must also possess the necessary technical ability and knowledge.

The fact that Europe — without including the USSR — still possesses one-third of the world's co-operatives and more than one-third of the co-operators, may lead us to wonder if these attitudes and ideas are equally accessible to unfortunate populations

everywhere — whether they live in industrialized areas or in under-developed rural areas.

The first reply to this question is a general observation : wherever co-operatives exist, it is among the poorer classes that they have been mainly established. That is not only true of the West. Speaking of the rural credit co-operatives in Asia, Henry W. Wolff wrote : 'Generally speaking, we note that, the poorer the populations, the more rapidly they understand the principles of credit co-operation, and the more rapidly credit co-operatives thrive among them.'<sup>1</sup> Likewise, more recently, the Registrar of Co-operative Societies in Ceylon stated : 'Poverty, not property, is now accepted as the best recommendation for membership'.

A more concrete and precise answer is given by the facts themselves : in Africa, by the native peasant co-operatives of the Gold Coast, Nigeria and Tanganyika, for instance, which have developed so far as to federate themselves; in Asia, by the million co-operators of Ceylon, grouped in more than 6,000 co-operatives, by the 10 million co-operators of India (175,000 co-operatives), by more than 20 million co-operators in China (160,000 co-operatives), by almost a thousand co-operatives and more than 100,000 co-operators in the Federated Malay States, by more than a thousand co-operatives in the Philippines, etc.

'Indeed,' J. H. Boeke declared, 'it has been found that, in the field of co-operation, the Far East was much better prepared than the West. In the community institutions and in the primitive mutual help of the populations living on the border of monetary economy are to be found, almost in fully developed form, the co-operative principles to which Raiffeisen and Schulze-Delitzsche, in Germany, after years of propaganda to which they devoted all their intellectual and moral efforts, won over with great difficulty the people of the towns and countryside whom the individualist evolution had made rebellious and inaccessible to social preoccupations.'<sup>2</sup>

Likewise, the chief of the Co-operative Department in the Federated Malay States wrote : 'The most immediate danger is to advance too rapidly... members of the existing co-operatives are becoming more enthusiastic every day,'<sup>3</sup> and more recently the Rev. A. Clint (former President of the Portland Co-operative Society, Australia) noted that in New Guinea, 'Co-operation among the Papuans is as easy as breathing.'<sup>4</sup>

<sup>1</sup> Henry W. Wolff, *Co-operation in India*.

<sup>2</sup> Dr. J. H. Boeke, *Indonesische Volkshanken (Koloniale Studien)*, June 1929.

<sup>3</sup> A. Cavendish, *Annual Report on working of Co-operative Societies in the Federated Malay States for the year ending 30 June 1936*.

<sup>4</sup> *Co-operative News*, Sydney, 1 November 1938.

These observations and explanations, which are the fruit of experience, should be borne in mind, and their lessons learnt. In order to establish or develop co-operative institutions among populations whose way of life has been upset but not completely changed as a result of the impact of the West, it is often possible to make use of the instinctive solidarity and the habits of mutual help which still exist among those populations. Whether due to a real or fictitious consanguinity, or merely to neighbourly relations, this solidarity — fed by the need which each individual has of his fellow men and strengthened by tradition — is revealed in a large and extremely diverse number of collective institutions, e.g. provident, credit, mutual help and joint work.

The 'reserve granary' of the Mohammedan countries was set up in compliance with the Koran, and it helps to feed the poor; it is, on the other hand, a provident body (wars, shortages) and very quickly became an institution giving credit in kind. The *timezgida* or tent-mosque of the Berbers, with its collective capital, has the same religious origin and has taken on the same functions of giving help and credit.

It is interesting to note that the *Igoudar*<sup>1</sup> of the Atlas mountains of Morocco have included in their century-old customary laws the fundamental rules of equity and equality governing the co-operative organizations of to-day, and, where they still exist, continue to observe them.

In Equatorial Africa, some of the 'secret' societies are not only mutual help societies but also rudimentary forms of labour co-operatives (for clearing away brushwood, building roads, etc.). Indonesian life is similarly imbued with the sentiment and duty of mutual help (*sambatan*, *toeloeng menoeloeng*).

In China the Hoh-Hui, in Japan the Mujin and the Hotokusha, in India the Chittis and Kuris of the Malabar Coast, like the Esusu in West Africa, are mutual credit organizations. The tendency to speculate has caused some of them to degenerate. But this is not true of the Hotokusha which, imbued with strong moral principles, like the co-operatives of the Raiffeisen kind, has maintained its traditions and, going beyond merely credit functions, has also devoted itself to public utility work, education and social work.

Lastly, in all latitudes, members of the poorest classes group themselves, temporarily at least, not only for certain agricultural work but for other work also on behalf of the community or even of individual persons : sinking wells, building irrigation canals and reservoirs, homes, mosques, and, more recently, schools.

<sup>1</sup> Plural of *agadin*. A kind of collective depot usually surrounded by walls, and generally containing rooms for individual use, in which the associates deposit their food reserves. There are also collective apiaries, etc.

It sometimes happens that some of these groups become more or less permanent or periodical, and resemble in various ways labour co-operatives. This is true, as has already been pointed out, of certain African mystic societies; it is sometimes true of the *fokon'olona* in Madagascar; it is true of fairly numerous groups of masons, stone-cutters and navvies in India; and attention has been drawn to the existence of similar teams working in coal mines or manufacturing paper or smelting steel, etc., in China, particularly in Ho-pei. To these examples might be added that of the organization of the Italian *braccianti* and of the Russian *artels*.

That these old traditions of community life, of collective property, of mutual help, of joint labour, can serve as a starting point or basis for a modern co-operative construction, may be seen from the filiation relationships which certain co-operative institutions of today acknowledge to exist — or which appear to exist — between themselves and institutions or customs of a distant past.

It is not by chance, indeed, that the Yugoslav co-operatives bear the name (*Zadrouga*), of the Serbian 'extended family'. The *Talka* of Lithuania is what the Moroccans call the *Touiza*, that is to say, a reciprocal corvée, voluntary but traditional, observed in almost all the rural regions of the world (for harvesting, treading out or grinding the corn, looking after the flocks, etc.). But is it not significant that it is also the name chosen for the monthly review of the Central Co-operative Organization of Lithuania? Likewise, the most widespread class of credit co-operatives in Japan, up to the end of the last war, bore the name of the old *Hotokusha*.

The co-operative cheese dairies and dairy farms of Savoy and the French Jura still bear the name and chief characteristics of the *Fruitières* which are known to have existed in the twelfth century.

Lastly, the Danish Farm Co-operatives, which have drawn up without the help of the legislator their own ingenious and efficient rules, no doubt owe much to the enduring spirit of the old autonomous village societies whose traditions began to wane at the end of the eighteenth century. A similar influence is attributed in Sweden to customs inherited from the 'rural communes'.

The relationship between the rudimentary, traditional, forms of mutual help and the more evolved forms of modern co-operation is so close that it is sometimes proposed to graft the latter on to the former. By such a grafting on to the old 'native communities' — the *ayllus* — the Peruvian Government is endeavouring to raise the economic, social and cultural standards of the Indian

populations <sup>1</sup>. In Madagascar, according to a Decree of 18 April 1930 on associations and rural credit, the native communities (*fokon'olona*) can exercise the functions of local credit banks and undertake work such as clearing, draining, irrigation, etc.

Thus, whether it establishes a new social tissue to replace one that is dying, or whether it can appropriate and utilize the community spirit which still survives, the co-operative movement offers a means of building upon the traditional basis of customs a new set of institutions, and thus enables the less developed populations to make the transition from their old world to the new one.

But this transition does not take place automatically or inevitably, and the new institutions have to be constructed. The old community traditions are 'makers of sociality' and of the 'co-operative spirit'. They are not themselves co-operatives. However simple it may be, the mechanism of the modern co-operative diverges from the reflexes of mutual help inherited from the past. It is something new that the future co-operator must learn. Moreover economic and social relations have become complex and the administration of a co-operative society calls for knowledge — knowledge which has to be acquired. Since in economically backward countries the co-operative movement, though deeply rooted in popular tradition, does not generally develop by itself in its modern forms, the action of an outside agent is nearly always necessary to promote this development.

The outside agent need not necessarily be the public authority, though this has nearly always been the case up to the present, particularly in the majority of countries or possessions which have been or are still governed by Great Britain. The Register of Co-operative Societies may be considered as the typical channel of government action in the field of co-operation.

Private or semi-public institutions, frequently led by a nucleus of intellectuals, have proved themselves capable of playing the same rôle. This was the case in Finland, <sup>2</sup> and is the case today for example in Jamaica.

Lastly, and more rarely, isolated individuals, missionaries and propagandists have succeeded in launching the co-operative movement.

<sup>1</sup> *Revista de Economia y Finanzas*, January-June 1943, Lima.

<sup>2</sup> The Finnish Co-operative Movement, one of the most highly developed in Europe, received its decisive stimulus from the Pellervo Society. The members of this Society (founded in 1889 by Dr. Hannes Gebhard) were mainly intellectuals, and included the future Director of Education of Finland. The Society undertook the task of systematic propaganda, education and organization. It has remained the moral centre and the link uniting the Finnish Co-operatives, which are, of course, completely independent.

It may be useful to examine briefly each of these three types of action, as well as to review certain types of institutions and methods used for propagating co-operative education and for training leaders and workers in co-operation; the examples given later in this chapter are chosen from countries in which the co-operative movement is already considerably developed.



### THREE TYPES OF METHOD FOR PROMOTING CO-OPERATIVES

#### a) GOVERNMENT ACTION : THE REGISTRAR OF CO-OPERATIVE SOCIETIES

The part played by public authority in the preparation and supervision of the co-operative movement is most clearly shown in the duties of the Registrar of Co-operative Societies, the Co-operative Officer, the Commissioner of Co-operative Development and the Co-operative Department, as they are exercised in India, Ceylon, the Malay Peninsula, and in the majority of British possessions. All these duties may be reduced, in their main characteristics, to those of the Registrar, as defined — for instance in India — by legislation and practice.

##### *Duties of the Registrar*

As his name indicates, the Registrar is responsible for the registration (compulsory) of all co-operative societies whose statutes are in conformity with the law. He is also responsible for ensuring

that the accounts of each co-operative are audited at least once a year. He can order such enquiries and inspections to be made as he may deem fit. He does not intervene directly in the administration of the co-operatives, but has power to arbitrate any disputes which may arise within a society. He has the power to strike off the register any co-operatives which he thinks should be liquidated.

But his task is more vast and varied than this. It goes beyond mere administration, and consists primarily in promoting the co-operative movement by propaganda, and in guiding it by instruction, praise and reprimand.

Generally speaking therefore, and excepting his right to liquidate, the duties of the Registrar and his collaborators are very much like those exercised, particularly in America and Europe, by the regional and national co-operative federations.

#### *Ability and training*

These duties are incompatible with mediocrity. All the knowledge and ability required of those who exercise them are enumerated, in a detailed and emphatic way, in the report of the Royal Commission on Agriculture in India. The Registrar must be well versed in economics, and rural economy, have a good knowledge of the economic conditions of the country, and especially of those of his district, be capable of maintaining the necessary relations with other departments of the administration — Agriculture, Labour, Health, Education, etc. For his immediate associates and the members of the co-operatives in his district, he must himself be an instructor and an educator. Since he is responsible for teaching and spreading co-operation, for supervising, advising, and helping the co-operatives, he must also of course be an expert in co-operation, have studied it in all its forms, both in his own country and abroad.<sup>1</sup>

The Registrars form a body of specialists, an *élite*, who must go through an appropriate system of training.

#### *Working methods*

Mr. J. A. Maybin, formerly Chief Secretary to the Government of Nigeria, described, as follows, the method of propaganda and education which he recommended, after having practised it also in Ceylon.

‘ Some organizers, in a well-meant desire to accelerate progress, explain to societies in formation none of the difficulties or dangers

<sup>1</sup> As the result of an agreement between the Colonial Office and the British Co-operative Union Educational Committee, six months' courses of studies on co-operation have been held, from October 1947, in the Co-operative College, for the benefit of colonial public servants.

to be met, but only the advantages to be gained. I consider such methods dishonest and have never seen them successful. Co-operation cannot succeed unless the members, with a full knowledge of the sacrifices to be made, consider them worth making. In Ceylon we adopted in new areas the following procedure. First, we explained at a public meeting the objects, advantages and difficulties of co-operative work. Then we fixed another date for a meeting about a month ahead, advised the members not to take our advice blindly, but to think it over carefully and discuss it among themselves and with anyone opposed to co-operation. At the next meeting we discussed their doubts and difficulties in detail. By this stage the doubters were weeded out, and we then really set to work with those who remained, taught them the theory of co-operation, and the practical side of the society's work, how to hold meetings, assess credit, keep the books. They had to learn thoroughly their by-laws and the Ordinance and Regulations. After some six to nine meetings the society would be ready for registration.

After registration it was visited at first once a month, later once a quarter, when we examined the work done, pointed out errors and how to avoid and correct them, and continued the co-operative education of the members. It was a slow but very interesting process. We found that by explaining difficulties as well as advantages we gained the confidence of the farmer, and saved him from the discouragement of meeting difficulties which he had not been led to expect or trained to overcome. The members learnt to think for themselves, and manage their own affairs. I should like to see a similar procedure here. It is slow but sure. We shall begin with success on a small scale, raise the self respect and reliance of the farmer and gain his trust. Though the start will be slow there will be no limit to the ultimate expansion. ' 1

#### b) ACTION BY PRIVATE OR SEMI-PRIVATE INSTITUTIONS IN JAMAICA

##### *The Co-operative Development Council*

In many respects the work of this Council may be compared not only with the work of the Pellervo Society already mentioned, in Finland, but also with that of the China Famine Relief Commission and of institutions such as the Extension Department of the University of St. François-Xavier at Antigonish (Nova Scotia)

<sup>1</sup> Extracts from a speech made by Mr. J. A. Maybin, Chief Secretary to the Government of Nigeria, when moving the second reading of the Co-operative Societies' Bill in the Legislative Council of Nigeria, 2/12/35.

and the Extension School of the Faculty of Social Sciences in Quebec. There were already signs of a co-operative movement in Jamaica before 1938, in the form of somewhat scattered efforts which had varying degrees of success. From that date it developed in a more methodical manner, and from 1943, with the establishment of the Co-operative Development Council, it began to make rapid progress.

### *The work of Jamaica Welfare*

Jamaica Welfare, established in 1937 as an independent body, aimed at raising the standard of living of the inhabitants of the island, not by means of purely charitable work but by help of a constructive kind. It was helped financially by important contributions from the United Fruit Company and the Standard Fruit Company. It won the collaboration of institutions and organizations working in the same direction — the Agricultural Society, Boy Scouts' Association, Agricultural Continuation Schools, the Churches, etc. — and from the start, it directed its efforts towards co-operative work. But before establishing definite plans and launching a campaign, Jamaica Welfare ensured the co-operative training of two of its directors by sending one of them to study co-operative work in Europe and the other to the Extension Department of the University of St. François-Xavier at Antigonish, to other provinces of Canada and to the USA.

Co-operative study circles inspired by the Swedish formula, which the University of St. François-Xavier had popularized on the American continent, were formed, as well as Young Farmers' Clubs and a Credit Union Educational Committee.

This preparatory work, directed by men who had not all acquired the necessary experience, and carried out among people who had been robbed of their faith in co-operative work by previous failures, lasted some time; but soon the first rural credit society was established, buying clubs were organized, the already existing societies developed their activities and two co-operative federations were established : the Credit Co-operative Union — offshoot of the Credit Union Educational Committee — and the Jamaica Co-operative Union.

### *Parallel activities*

Parallel with this work, other activities grew up with similar objects. The Agricultural Society and the Agricultural Loans Societies Board, established and carried out programmes of general instruction and co-operative education; the St. George's College opened its Extension School and began its work of promoting the co-operative movement.

*The Co-operative Development Council: establishment*

At the beginning of 1943, on the initiative of Jamaica Welfare, a conference was held to which all the institutions and organizations interested in the co-operative movement were invited, as well as the representatives of certain public administrations. The main purpose of this conference was to recommend that the Government should set up a council for fostering the co-operative movement.

This proposal was adopted, and statutes were prepared by the President of Jamaica Welfare and the representative of the Extension School of St. George's College. It was agreed that the Council's activities should be developed according to the following principles: the co-operative movement should be encouraged and helped, but not controlled, by the Government; co-operative groups should be allowed to develop progressively and surely by means of education, so that they might become capable of directing their own affairs.

*Membership*

The Council comprised: Jamaica Welfare, the Extension School of St. George's College, the Jamaica Agricultural Society, the Agricultural Loan Societies Board, the Banana Producers' Association, representatives of the public administrations, namely: Education, Lands, Housing, Commerce and Industry, the Secretary for Development and the Secretary for Social Welfare Services, as well as representatives of the Co-operative Federations — the Credit Union League, the Jamaica Co-operative Union and, more recently, the Jamaica Egg and Poultry Federation.

*Aims and initial activities*

The chief aims of the Council as defined by its statutes are as follows:

1. to supervise and co-ordinate all co-operative activities, in particular education, training and organization;
2. to establish among the co-operative organizations a common line of action, whilst leaving to each of them its own tasks and duties;
3. to promote relations of mutual help and friendly co-operation between constituent organizations;
4. to maintain contact with the co-operative movement itself and to help it by means of special services in the fields of education and marketing, and in all other fields relating to the co-operative movement as a whole;
5. to ensure the protection of the co-operative movement by suitable legislation;

The Council immediately set to work, and set up committees for education, legislation, marketing and financing. The Extension School of St. George's College gave regular classes on the history and the philosophy of co-operatives, on the credit co-operatives, consumers' co-operatives, marketing co-operatives, and on the management of co-operatives; and organized visits and lectures in different parts of the country. Jamaica Welfare, together with the Agricultural Society and certain local organizations, continued its educational work on a regional basis; and the Agricultural Society carried out similar work among its 450 member societies. In the field of credit co-operation, this work was carried out by the Agricultural Loan Societies Board. The Education Department helped in the running of study circles and savings unions. The Legislation Committee studied a draft general law on co-operation and a draft law on credit co-operatives; it persuaded the House of Representatives to recognize the special position of co-operatives with regard to income tax.

As in the case of education, each member of the Council has become specialized in a particular field of organization; but when need arises it receives the help of one or more of the other members. The Federations have continued the work appropriate to them. The Lands Department stimulates and advises the co-operatives in the zones which it controls. The Agricultural Society has developed projects of co-operative organization for milk and dairy produce, the sinking of wells, the conveying of water, the supply of articles necessary for agriculture, conservation of the soil, re-afforestation, etc. The Housing Department has given technical assistance in the carrying out of two housing co-operative projects established and run by Jamaica Welfare. The Jamaica Egg and Poultry Federation, in co-operation with the Lands Department and Jamaica Welfare, undertook between April and August 1945 a systematic campaign for improving poultry, expanding the production of eggs and organizing their collection; the Department of Commerce and Industries deals with the marketing of the eggs so collected.

#### *Lessons drawn from the first experiment*

In a memorandum published in 1945<sup>1</sup> the Council set forth the conclusions and lessons drawn from its experiment and examined the results already achieved.

The first observation made — which surprised some of the sceptics — is that the method of study circles and discussion groups

<sup>1</sup> *Memorandum on the Development of Co-operatives in Jamaica*, prepared by the Jamaica Co-operative Development Council, at the request of the Agricultural Policy Committee, August 1945.

has been entirely successful in Jamaica, wherever it has been applied with a knowledge of the psychology of the population and with the appropriate technique.

In the same way, and even more strikingly, the campaign for encouraging and organizing savings has obtained excellent results. It has also been discovered that, in order to give a starting point to certain co-operative developments, it is often advisable to make use of the old traditions of mutual help among the populations. The assistance of the 4-H Clubs has also been enlisted.

Lastly, it has been noted that it is possible to find voluntary leaders even in the humblest classes. But, in view of the low level of education, particularly in rural areas, it is necessary to develop not only co-operative education but general education and a progressive training in practical affairs.

### *Results*

By March 1945 there existed a fairly large number of pre-co-operative and unregistered clubs : 157 study and savings unions with 6,236 members; 88 thrift clubs with 4,804 members; 53 buying clubs with 761 members; 17 agricultural produce clubs with 1,188 members; 12 cottage industry clubs; 9 housing clubs and 47 'pioneer' clubs.

In addition to these embryo forms, there existed at the same date 168 registered co-operatives with 46,527 members. The oldest and largest category of these was the peoples' co-operative banks, of which there were 108 with 43,397 members and a credit balance of £124,392 (more than half of which, i. e. £67,683, consisted of members' deposits).

There were 18 small credit co-operative societies, including 12 credit unions. There were 10 consumers' co-operatives with 1,139 members. In addition to a co-operative bakery, there were 31 marketing co-operatives, including 30 for the sale of eggs and poultry.

### c) INDIVIDUAL INITIATIVE : ADULT AND CO-OPERATIVE EDUCATION IN THE BANTU CO-OPERATIVE MOVEMENT

It is probably from the Reverend Bernhard Huss, Principal at the St. Francis Native Training School, that the Bantu received the first message on modern co-operation, more than a quarter of a century ago. It is from him at any rate that Bantu co-operators borrowed their motto in education work : 'You must learn

(a) to think individually; (b) to think together; (c) to think ahead'.

According to a recent article <sup>1</sup>, by the Director of the Nabantukop Adult School, the Bantu co-operative movement in Natal and Zululand comprises some 10,000 members. By means of its own press and other publications, various courses, study circles, etc., it is carrying out, with the help of some European advisers, a fairly extensive and elaborate programme of adult and co-operative education in order 'to fight African poverty and illiteracy'.

#### Press

The official organ of the Bantu co-operative movement is *Ubambiswano*, a monthly review dealing with education, social welfare and co-operative matters. A monthly bulletin, *Nabantukop Link*, serves as a guide for study groups, secretaries and local committees.

#### Staff training

Various courses are held at headquarters for the training of staff. Tuition is made as practical as possible. A shop, for instance, has been provided in which practical training is given.

Winter schools are held annually at which lectures are given on history and principles of co-operation, book-keeping, business management, citizenship, agriculture, the Government rehabilitation scheme, social hygiene, music, drama, and the fight against tuberculosis. The first school took place in July 1945 with 50 students; the second in June 1946 with 80 students (missionaries, teachers, farmers, store-managers, both men and women); the third, with 70 students, in July 1947.

The Native Education Department (Division of Adult Education) gave a grant in aid for this work.

#### Study groups

There were, in Natal and Zululand, 145 Bantu co-operative study circles, assembling thousands of African men and women. The subjects for discussion were their social and economic problems as well as principles of co-operation, citizenship, agriculture, health, and social welfare work. Places of meeting were very diverse: the homes of the members, factories, school houses, trains and halls (two of which have been built by the people themselves).

<sup>1</sup> W. S. Mseleku. 'Bantu Co-operative Adult Education' in *Year Book of Agricultural Co-operation, 1948*. London : The Horace Plunkett Foundation 1948.

Each group is working under the general supervision of the Committee of the Nabantukop local branch. At the request of the winter school students, the Nabantukop Adult School has been established with the object of teaching study groups by means of postal lessons. The use of radio is contemplated for listening study groups. It is hoped also that films may sometimes be used for educational purposes.



### SOME CENTRES FOR THE TEACHING OF CO-OPERATION

#### a) CANADA : LAVAL UNIVERSITY

The Extension Department of Social Education at the Laval University (Social Sciences Faculty), Quebec, was founded in the spring of 1944. It made use of the experience which the Faculty of Social Sciences had previously gained in this sphere, and immediately became an active centre of popular education.

The aims of the Extension Department are 'to serve the people by enlightening them', and 'to act as a link between the Faculty and the people, to convey to the people the results of researches pursued by the Faculty on concrete and topical problems, and to make them aware of the necessity of social reforms.'

The channels used are partly the customary ones of publications, investigations, evening courses, correspondence courses and a circulating library; to which may be added a 'Parents' School' and what are known as 'intensive sessions'. The Extension Department also makes use of the radio, and occasionally organizes 'study days' and study tours.

The personnel consists of teachers from the Faculty of Social Sciences, together with certain experts with practical experience.

Although the programme of teaching and action is not restricted to the teaching of co-operation, this subject makes up a large part of the work. In countries like Canada, where popular education and adult education have renewed their forms and methods, they inevitably involve both a teaching of co-operation and a moulding of the mind towards co-operative action — just as, inversely, co-operative action is based upon an effort of co-operative education developing into social action.

#### *Courses*

*Evening courses*: these are run from October to May and are open to all. There is an enrolment fee of \$15 payable in three instalments. The courses are divided into four sections : co-operative, economic, administrative and family studies.

In the economic studies course, the teaching of co-operation occupies six hours, i.e. as much as the general lessons on political economy, and as much as the lessons on Canadian industry.

The family studies course includes two lessons on co-operation, one on the service of the co-operative societies to the family, the other on housing co-operation and garden cities.

The co-operative course consists of 80 lessons, comprising a general section on co-operative doctrine, history and organization (including education, legislation, administrative organization, financial organization, etc.); and a special part dealing particularly with certain categories of co-operative societies. Whenever possible this course is given a practical alignment corresponding to immediate needs. Certain lessons are specially devised for administrators and managers of various categories of co-operative societies.

All these courses are rounded off by an examination leading to the award of a certificate. In the first year they were regularly taken by 200 students, of whom 75 have gained certificates.

*Correspondence courses*: for the benefit of persons unable to attend the evening classes, the Department inaugurated correspondence courses in January 1945. These are open to all with an adequate education and a certain measure of experience. The enrolment fee is \$10.

The Co-operative Course was the first to be organized. Its subject matter varies only slightly from that of the evening classes. It is an extensive course, which, as its preface underlines, 'addresses itself first and foremost to persons who are engaged in the movement or who are already familiar with its essential features'.

The material is presented in the form of 60 roneographed lessons, distributed to the students in batches of from 5 to 10. As a rule, each lesson runs to 10 or 15 pages (occasionally 20 to 25), and has three component parts : an outline prepared by the teacher, a list of publications for both compulsory and optional reading, and two to five questions.

Especially on points of theory, the outline permits — and even seeks occasion to make — extensive quotation from the works of Canadian and foreign authors. It thus combines in a happy manner the advantages of a logically constructed expository lesson with those of a 'co-operative anthology' which puts the students into direct contact with the authors' thoughts.

Furthermore, in order to obtain the books for compulsory or optional reading, the students may, against payment of an annual subscription of two dollars, draw upon the *Circulation Library* which the Extension Department places at their disposal.

Students are required to submit written answers to the questions in each lesson, for correction by the Extension Department.

The award of diplomas is decided by an examination at which the written work performed by the student during the year is taken into consideration.

#### *Publications, the 'Forum', 'Intensive Sessions'*

*Publications:* In 1941 the Faculty (then the School) of Social Sciences began to publish booklets (*cahiers*) on social and economic problems. After 1945, under the responsibility of the Extension Department, these booklets were given a new alignment, adapting them to collective study so that they have become a starting-point for discussion in co-operative and other study circles.

Besides evening and correspondence courses the Extension Department has also created other institutions, which enable it to reach a far wider public and make use of other methods. While imparting information, these institutions are chiefly designed to train students who are themselves going to train local leaders; through the technique of study circles a prominent place is given to discussion.

*The Forum:* While the study circles and intensive sessions aim at moulding an *élite* of the people, for the people and among the people, the Forum is a means for educating the people generally. It consists of a meeting conducted by a 'leader' held to discuss some problem with a view to arriving at a solution, or to discuss some idea in order to assess its value.

The Forum differs from a conference in that all those present are invited to express their opinions. It is a kind of enlarged study

circle, not only because it consists of many more people (up to 400 or 500), but also because certain questions come up there which have already been thoroughly discussed by the study circle, and because the study circle members who are present draw the other participants into the discussion, reply to their objections and enlighten them on different points.

With the help of the radio it has been possible to expand the Forum system still further. The principal phases of the Radio Forum are : (1) a studio discussion which does not exhaust the subject in question but poses certain problems and throws light upon them; (2) groups or study circles receive in advance a bulletin about the subject; they listen in; then each on its own account takes up the discussion at the point where the broadcast has left it, trying to arrive at replies to the problems posed; (3) part of the subsequent broadcast is devoted to a commentary upon these replies.

The first Radio Forum was organized in 1943-44 by the Superior Council of Co-operation with the collaboration of the Provincial Government and the Radio-Canada Society. 725 listeners' groups were organized, and 20,000 bulletins were distributed every week prior to the broadcast on the 'Prepare the Future' programme.

Since 1944-45 the Adult Education Association has been charged with organizing — on the same programme — the listeners' circles, with examining their replies, and with making a report on them for the radio. At the request of the Association, however, the editing and printing of the bulletins for distribution to the groups is undertaken by the Extension Department of Social Education.

*Intensive Sessions* : These bring together fairly homogeneous groups of persons (managers of co-operative societies, teachers, farmers, etc.) who, for periods varying between one day and one month, apply themselves jointly to the study of one or more problems of common interest.

Their object is to create contacts by means of which persons with similar interests or occupations can exchange experiences. They also aim, by means of conferences, talks and discussions, at enabling the participants to acquire some theoretical and practical knowledge of a given subject; however, the purpose is less to impart a complete range of knowledge than to cultivate a democratic spirit by developing a sense of responsibility and a spirit of mutual aid. This is one of the reasons why the participants live together throughout the whole session, and, when practicable, the members organize their collective life themselves.

The session technique resembles that of the study circles and the Forum, united with that of *ex cathedra* teaching. Normally it works according to the following plan :

- 1) an address, lasting about one hour, by the teacher;
- 2) division of the participants into groups of five or six members, each group discussing for about one hour problems brought up by the address;
- 3) a plenary meeting or Forum, at which each group submits the results of its discussions, followed by a general discussion, which is generally summed-up by the teacher.

For every three hours of work on these lines, 45 minutes are usually allotted for individual study.<sup>1</sup>

In all this work, the teacher acts as a constant guide, moving from one study group to another, associating with the students in their leisure periods, supplying supplementary explanations, and discussing with them their future plans, etc.

In 1944 three series of intensive sessions were organized for the study of co-operation. The first was attended by teachers (two weeks), and the two others by college students (three weeks). In subsequent years general or specialized courses lasting from one week to one month have been arranged on the same basis for the training of co-operative managers (four weeks) and of rural leaders (one week), etc.

One institution which may be included in the category of 'intensive sessions', because it has the same organizational principles and applies the same pedagogic methods, deserves special mention. This is the Popular School of Co-operation, where a new method — original and apparently successful — has been adopted for recruiting students. The objective is to promote the social education of the rural population and their economic organization, especially by propagating knowledge of co-operation. To this end it was necessary to train and to place in rural localities men versed in co-operative methods, who were capable of exercising an influence upon those around them and of taking initiative. The problem was : how should these men be chosen ? A method was sought which could create in the villages a lively interest in the person or persons who were going to study; and which would also pledge the students and put them under an obligation to serve their fellow-citizens when they returned home. The plan thus emerged that each student should be freely chosen by a group of persons in the village who were interested in the experiment, and that these persons should be

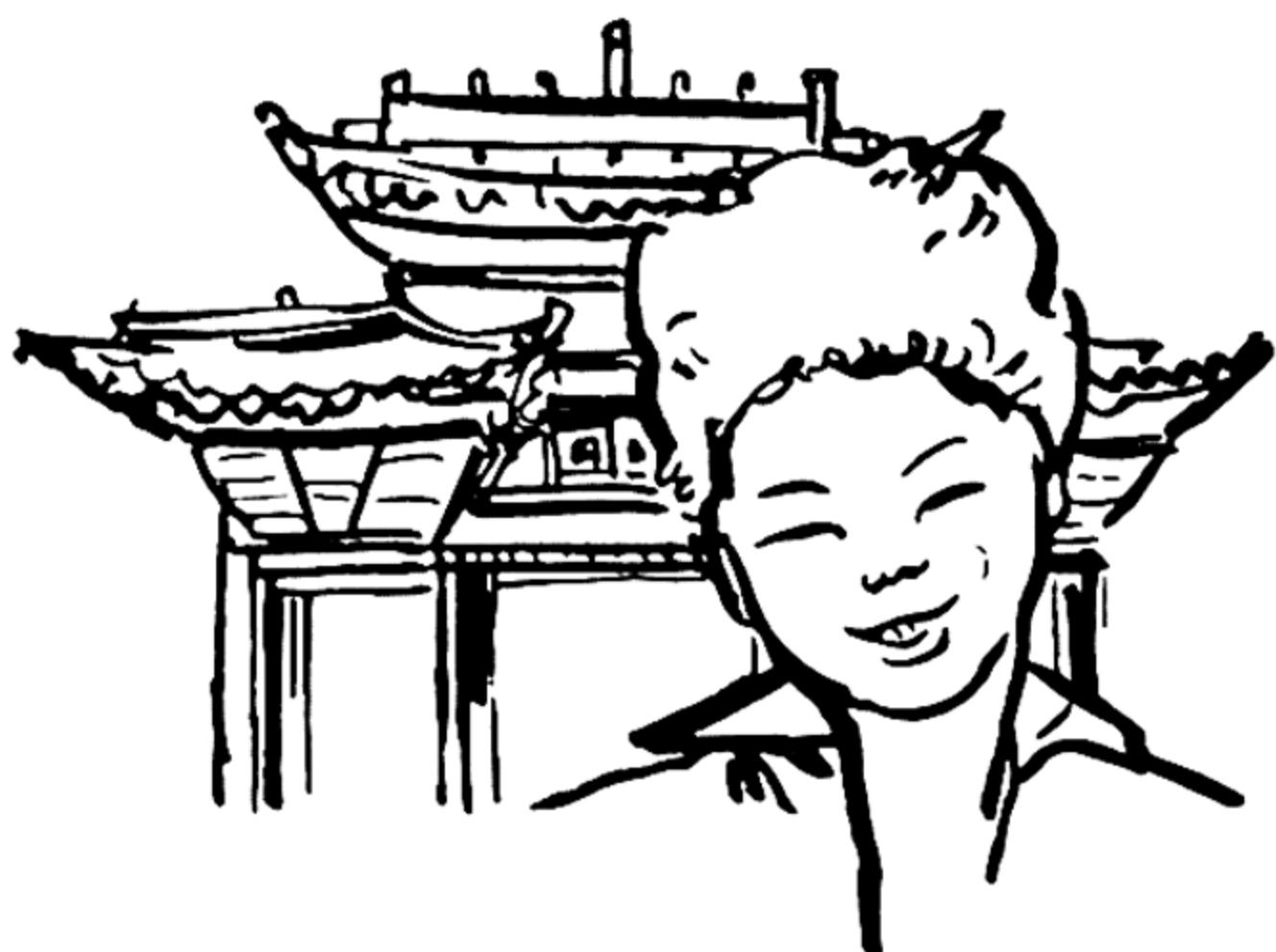
<sup>1</sup> Some of the Intensive Sessions include persons with little education.

induced jointly to meet the cost of the students' board and lodging. In this way there has been established a close link between the students and the groups from which they come and to which they return.

The first experiment took place in January 1943 in collaboration between the School (now the Faculty) of Social Sciences and the Superior Council of Co-operation. The results were confirmed six months later by a visit to the localities from which the students had come. Enquiry showed that in 85% of the cases recruitment had been carried out by the method outlined above. It also showed that in all these cases the choice had been a happy one; that the students, on returning home, had applied themselves to the task of co-operative construction, leading to the creation of numerous study circles — with the foundation of a co-operative creamery in one place — the establishment of a credit co-operative society (people's bank) in another — and elsewhere the increase by one-third of the membership of the local agricultural co-operative society and the people's bank; also the establishment of lumberworkers' co-operatives.

The following year the experiment was continued, under the same forms and with the same methods of recruitment, in five districts.

Besides the variety of the institutions and methods and their close adaptation to their objectives, the activities of the Extension Department of Social Education are characterized by the intimate collaboration established and maintained with the Superior Council of Co-operation — the central body for education and co-ordination of the co-operative movement in the Province. Through this link the Extension Department of Social Education stands at the centre of a network of study circles, of forums and other activities, all of which carry knowledge and social education, co-operative education and leadership training for the Co-operative Movement right into the villages.



### b) CHINA : THE BAILIE SCHOOL AT SANDAN, KANSU

#### *The Bailie Schools*

The 'Bailie Schools' are named after Joseph Bailie, an American missionary, who hoped that the industrialization of China might be accomplished without repeating the mistakes and the social cost of industrialization in the West, and who died before his plans were completed.

Nine such schools have been in existence, the first being established in 1941. Most of them have had to be closed during the last two or three years on account of military events or financial difficulties. This partly accounts for the fact that the Sandan Bailie School had 325 students (including 10 girls) in June 1948 while the student membership of most of the other Bailie schools was 40. When it was started in 1944, it absorbed the students of two schools that had closed down. It was, at the time of writing, the only one of its type in operation, although some short 'institutes' lasting two weeks to a month were being held in various places for the training of officers and members of industrial co-operatives and federations.

#### *The aim of the Sandan Bailie School*

Being the technical training school for the Chinese Industrial Co-operatives (CIC)<sup>1</sup>, its aims, structure and methods of teaching are closely related to the aims and philosophy of the CIC movement. This movement sprang up as a means of rehabilitating refugees, of organizing 'guerilla industry' and of

producing blankets, shoes and some 500 other articles for the Army and for the population. Its leaders had also in view the problem of the post-war industrialization of China.

The solution of this problem, they thought, must be a Chinese, not a Western, solution. They advocated 'industry for the people, not people for industry', production of essential consumer goods on a decentralized and co-operative basis, and the organization of a village economy and a village life which would integrate agriculture and industry.

What is needed for that purpose, in the words of the Acting Headmaster of the school, is 'more important than capital, more important than anything else — a supply of people who have technical ability, coupled with a knowledge of co-operation in practice....'<sup>1</sup> The endeavour of the school is therefore 'the production of people technically able, who understand how to organize small industry, who have their roots in the villages, who can do business efficiently and who can stick together as a group to carry their plans through.'<sup>2</sup>

#### *The site of the school*

Close to the Old Silk Road, at an altitude of 6,000 feet above sea level, Sandan (or Shantan) is a typical Chinese village of the poorer type in the undeveloped West Kansu. The area is both agricultural and pastoral, with some rich lands awaiting irrigation and with some of China's chief mineral and petroleum resources. It has been de-forested, eroded, subject to the ravages of wars, of opium, famine, earthquake and drought.

The population is just over 6,000. Most of them live in the direst poverty : hundreds of children are said to go half naked in the bitterest winters. The place presents therefore all the problems of a backward rural community, of a type which village co-operative industry everywhere will have to meet.

These very circumstances are considered as serving the purpose of the school because, as the Acting Headmaster says, 'if we want every trainee we send out into the world to be able to increase his potentiality for assuming responsibility, we have to carry out our experimentation and our training under conditions even more difficult than those he will be likely to meet in the course of his work.' Moreover, 'the very poverty of the village, its remoteness, mean that there is a chance to teach and develop, away from the fierce competition of coastal factories, an industrial pattern that may well serve for all China.'

<sup>1</sup> Rewi Alley, *Introduction to the Shantan Bailie School Report, 1947*.

<sup>2</sup> Rewi Alley, *Shantan Bailie School Report, 1948*.

*Students, teaching, staff*

The ages of the students range from 12 to 20 and over (the largest group is the 16 to 18 one). The students are drawn from practically all provinces. In the main they are children of peasants. Many are war orphans.

Eight years experience in other village schools have taught that some caution has to be exercised in selecting the trainees. Children of well-to-do traders and official families are too often prone, on the first opportunity, to give up technical for white-collar jobs. The best student for the Bailie School 'is the 14-15 category — who has done some work already, has had some primary education, and comes from a home where work must be done.'

In fact, before being admitted as students boys have to go through a probationary apprentice term of six months. During that period they work hard, mostly on the school farms, in order to prove their ability to 'eat bitter' as well as to perform and have a proper attitude towards manual labour.

The courses of study vary from two to four years, dependent on the age, intelligence and experience of the student. Students divide their time between ordinary class curriculum and practical work. Subjects taught in class include Chinese, English, history, geography, science, and mathematics. Class work takes four hours daily in winter and five hours in summer. In addition students have three hours preparation every evening and five hours machine drawing per week.

Practical work is carried out in one or more of the 27 training projects of the school which include pottery, textiles, leather, machine tools, electrical engineering, agricultural and pastoral farming, mining, irrigation and surveying, chemistry, glass, paper making, soap making, transport, etc.

Teaching, board and residence are free. Some of the students receive wages for their work in the technical sections.

The staff consists of 22 Chinese and foreign teacher-technicians, assisted in all departments by senior students. The Acting Headmaster is Mr. Rewi Alley, a New Zealand engineer, who was for 11 years Chief Inspector of Factories in Shanghai and later became the well-known and devoted Technical Expert and Advisor of the CIC.

*Training methods and structure of the school*

In accordance with the ultimate objective of the training, the students are given not only all the class and practical work they can do, but also all the responsibility they can carry. This

principle is applied all through the activities of the school : in the class room, in the workshops, on the farms, in transportation and other journeys, even in much of the administrative work.

Thus, the teaching staff being overworked, almost all the teaching of the junior classes is done by the older boys who take classes as pupil teachers : they learn by teaching and they learn to teach.

With regard to practical work and administrative work, the same principle applies.

### *Technique and creative spirit*

By means of gifts or otherwise, the equipment of the school is gradually being made more modern and complete. From the last report (1948), however, it may be observed that it is still scrappy and very heterogeneous; most primitive tools and methods are used alternately with the most modern techniques and equipment.

This has not been a cause for discouragement; it has been turned into a method of training. 'The chief thing to be produced,' says Rewi Alley, 'is the creative spirit,' and also : 'the technician with commonsense and an appreciation of the best in the older methods is essential.'<sup>1</sup>

Switching from older to newer tools is considered as good training for the creative spirit. And when modern equipment ceases to be available for lack of fuel or power or spare parts, a switch back to more primitive implements is made a good occasion to find the best in the older methods.

'It is not so much the glass we produce that matters,' writes Rewi Alley, 'it is what we can make of Ren Chung Yuan and his assistant. When they finally carry their project through to success, they will feel that they have found a way of mastering their environment, and that where there are materials, then they can make what people need.'

### *Trainees abroad*

Yet it happens that certain students need and deserve a higher specialization than the school can at present offer. Or it may be that the school is in want of a technician to start and conduct a new useful project. Then, and if the opportunity arises, students are sent to other training centres in China or even in other countries, either to finish up their training or to acquire a new technique and bring it back to the school.

Thus, in June 1948, two students were sent to England by the British United Aid to China (BUAC) and entered the Co-operative

<sup>1</sup> Rewi Alley: 'China's Industrial Future' in *Free World*, August, 1944.

College at Loughborough; after a year of study there they are to do full practical work in some selected textile factories. It is intended that they shall come back to the textile division of the Bailie School.

Some 20 other boys have been sent to other training centres in China for specialized training or for contributing to the training of others.

### *Village hospital*

Naturally there are accidents and illnesses among the Bailie students, and there have been epidemics in the region. The school therefore set up a free clinic, with a visiting doctor. The village hospital is a recent addition to its activities.

The doctor and his wife, a trained nurse, were sent from New Zealand by the Council of Organizations for Relief Services Overseas, (CORSO). The new hospital has an operating room and three clinics in the country; two more clinics are planned.

Six Bailie students are trained there for rural health work, acquiring the elements of biology and hygiene, learning to use a microscope, preparing medicine, getting familiar with disinfection and autoclave, attending and even assisting at operations and the like.

The doctor and his wife attend daily about 100 out-patients, some of whom have travelled 60 miles 'to get the first medical treatment they have ever had'.

### *Consumers' store*

Two rooms have been built in the school yard and a co-operative store started with a share capital of \$1,000 and a membership of 160.

The purpose of this undertaking (besides supplying of daily use articles) is explained by one boy in the following terms : ' We want to get every kind of experience we can in co-operative working so that, even though we run all our work and classes on co-operative lines, we still want to get all the experience possible... If we join together in this way we can help the school staff, technicians, students and workers to have some more friendly feelings and to take more interest in each other. '

### *The libraries*

The school has a Chinese library (some 5,000 books and a number of newspapers and magazines) and an English library (4,000 books).

Every day about 90% of the students living in the main school use the Chinese library, mostly in the evening. This library

is headed by a Chinese teacher, assisted by two boys who are trained in cataloguing.

The English library is used mostly by Chinese and foreign members of the staff and by older students who read English.

#### *Extra-curricular activities*

There is a magic lantern performance every Saturday night, showing books, papers, slides and still pictures on film.

Debates are also held, e. g., on village industry v. city centralized industry, sex equality, whether the Bailie schools are providing the right kind of training or not, etc.

Plays are produced and sports meetings organized.

#### *Co-operative organization of work*

Practical work is performed on a group, not an individual, basis. Almost every section or division constitutes a small co-operative unit where students learn co-operation by practice rather than by theory. Frequent meetings are held in all sections. Leaders are elected. Records and accounts are kept : records of the spare parts, of the amount of gasoline and oil left, of the quantity of fuel consumed for any given kind of work, calculation of overhead expenses, and so on.

There is naturally a continuous exchange of services between the various sections or divisions : construction, lime and brick kilns, pottery, transport, textile, leather, electrical workshop, etc. ' The inter-linking nature of our projects, ' states Rewi Alley, ' is in itself the best kind of training for boys who will enter the co-operation field later and have to make their efforts a part of a chain. '

#### *Federative structure*

For this interchange of goods and services, for the general planning of the work, for the co-ordination of the various activities, for the organization of the daily life of the school, the sections and divisions are linked with one another and with the whole in a structure which closely resembles that of a federation of co-operatives. Most of the organs of this structure are partly or entirely run by the students, who accept responsibility as part of their training.

The two main central organs of the structure are the General Affairs Committee for the business side and the Student Body for the organizational side.

The *General Affairs Committee*, headed by a member of the staff as chairman, has to solve the permanent and difficult problem of supplies. It has to find sources of supplies, draw up contracts,

obtain permits, send out trucks, etc. It acts in close collaboration with the transport section and is assisted by Subsections or Committees for School business, personnel, granaries, food store, and general store.

The School Business Committee, for instance, distributes to the students the articles which they need personally, and which have been either made in the school or bought outside : clothes, sandals, socks, pencils, ink, soap, toothbrushes and the like.

The Food Store sees to it that each kitchen obtains the appropriate amount of food and that it is accounted for to the Food Accountant.

The Central Store receives, keeps and issues on requisitions the necessary materials for each department. Some of the divisions (e. g. transport) keep their own stores, but their material has to go through the Central Store accounts.

The general administration of the school is under a School Board of adults (the meetings of which are sometimes attended by students' representatives). But the daily problems of school life are dealt with by the Student Body and its various sub-committees.

The *Student Body* is made of two main parts : the Students' Council and the Supervisory Committee.

The Students' Council is composed of representatives elected in class meetings. It meets once a week to discuss problems as they occur. It also sets up ten sub-committees specializing in : discipline, sports, health, drama and entertainment, wall newspapers, speaking competitions, debating, education (discussing class work problems and those of the library), food, business.

The Supervisory Committee is made of older students. It checks and encourages the activities of the Student Council, examines its minutes and assists in reaching a final decision when it is needed.

### *Extension Work*

With its living quarters, farmlands, granaries, workshops, its consumers' store, its hospital, its transportation means, the school forms a complete community; not a model community in its present shape as it still lacks much in equipment, but a model community in the making with all the needs and problems of a village community.

It is not, however, a closed and self-seeking community. It radiates its influence on the whole area by its very existence and by action. Visitors come from miles around to watch its electric lamps or the tractors being operated by the students. But this is not all. The school life mixes actively with local life and the

school activities help directly to local rehabilitation. There is no need to stress the important part played in this aspect by the hospital.

The most recently established farm is not only meant to grow all the food the school needs, but also to provide demonstration work for the peasants in checking erosion, in wind brakes, re-forestation, as well as for the use of new seeds, new skills and new implements.

Better types of water wheels are being installed by the school in the neighbourhood.

Two of the textile machines operated in the school have been chosen not only in view of the school needs but for the sake of experimentation because they have been specially designed for village use.

Chemical industry suited for the village is being taught to local as well as co-operative youth. 'Pottery, paper, tanning, soap making, as well as chemical analysis, become part of the people's lives and thinking.'

The most important pieces of work promoted by the school are the improvement of coal mining and an irrigation project.

The first project tends both to improve the labour conditions in coal mining and to bring up enough coal to supply not only the school but local needs.

The second project, which was to be carried out in the summer of 1948, consists of irrigating 10,000 acres of land (2,000 acres of which to be worked by the school).

Both projects were to be carried out under the supervision of Chinese and foreign experts and with the assistance of the China Relief Mission, the Agricultural Industries Service and the Government's Water Conservancy Bureau. They were to employ some 1,000 local workers as well as Bailie students.

#### *Finance and assistance received*

The students meet a good many of their own and of the school's needs by their own labour. They have built or helped to build their living quarters, the store rooms, the workshops. They make furniture and simple equipment. They grow an increasing part of their food, dig their coal, produce some other necessaries, soap, ink, paper, some clothing, pottery, etc. Yet, as the Acting Headmaster stresses again and again, 'Our aim is to produce people rather than goods... the main production must be technicians, co-operative technicians.'

The school does not aim at being entirely self-supporting. There are many things to be bought or otherwise obtained from outside, and sudden and unexpected rises in prices cause continual

financial difficulties. These difficulties have, so far, somehow been surmounted with the assistance various of organizations which have taken an active interest in the CIC movement and in the Bailie Schools.

As already mentioned, foreign teacher technicians have been appointed by these overseas relief organizations. Money, machinery, material, have been supplied by INDUSCO (the USA Committee for CIC), UNRRA, the Agricultural Industries Service (AIS). INDUSCO has helped also with food, cloth and books. Cloth and some medical supplies have come also from the Council of Organization for Relief Service Overseas (CORSO) in New Zealand, from the International Relief Committee, the American Red Cross, the Friends Service Unit (FSU), the Canadian Relief Committee. Tools have been sent by the coal miners of New Zealand, the International Relief Committee, the American Red Cross; electrical equipment and a technician's salary by the CIO in USA; seeds by the Canadian Relief Committee; stud sheep by CORSO. Technical help has been given by UNRRA, and the Agricultural Industries Service. The British United Aid to China (BUAC), the Friends Service Unit (FSU), and UNRRA through the AIS have helped in the specialized training of some boys in England and in China.

Closer at hand, the Friends Ambulance Unit (FAU) has been able to help in many ways: loan of personnel, gift of truck and used clothing, training, etc. The hospital has been built with a special grant from the Co-operative Women's Guild in London; the China Relief Mission has made grants for its maintenance (as well as for the maintenance of the school); its doctor and nurse were sent by CORSO.

No doubt the school will need further assistance. It is hoped that in time the Chinese Industrial Co-operatives will be able to support it.



*References*

Further information may be obtained from the Acting Head-master, Rewi Alley.

A recent report published by the Food and Agriculture Organization gives a careful and detailed account of the school : *Training Rural Leaders*. Washington, FAO., 144 pp. \$1.50.

c) **GREAT BRITAIN : EDUCATIONAL ACTIVITIES OF THE CO-OPERATIVE UNION**

The unit for co-operative educational work in Great Britain is the individual consumer co-operative. Although not all the local co-operatives make grants for education, and although the proportion of the trading surplus set aside for this purpose varies among the different societies, the total sum allocated by the consumer co-operatives in Britain is considerable. In 1946 the figure reached £333,791, an increase of £33,251 over the previous period. The co-operative productive societies, the Co-operative Wholesale Society, and the Scottish Co-operative Wholesale Society also make grants for educational purposes.

The efforts of the local societies are stimulated and guided by the Co-operative Union through its Education Department. Following a resolution of the 1948 Congress, this Department is now administered by a new Educational Executive consisting of two representatives from each of the Education Councils which have been established for each section of the Co-operative Union.

Immediate supervision of the Education Department is vested in the Chief Education Officer, a permanent official who is also Principal of the Co-operative College. Working under the direction of the Chief Education Officer, there is an education secretary, responsible for secretarial work and detailed administration of the Education Department; a national organizer, for advice and assistance in regard to youth work, correspondence courses, adult and technical educations; and an administrative officer for the College, charged with the internal administrative work of the College and its relations with co-operative and other organizations. In each of the territorial sections of the Co-operative Union there is an education officer who represents the whole of the Union's educational activities for the section and advises local societies in the development of their educational activities.

The educational Services of the Co-operative Union may be divided into four categories : assistance to local societies and

organizations in technical and adult education; a system of correspondence tuition; the promotion of the Co-operative Youth Movement; the Co-operative College for adult residential education.

The local consumer co-operatives usually have an education Committee to promote and supervise the work, and a growing number of them have full-time education secretaries. Through their education departments, some of the bigger co-operatives provide a very wide range of educational, social and cultural activities. Thus the London Co-operative Society, which in 1946 allocated £29,015 for educational purposes, organizes classes and discussion groups in co-operative subjects; lecture courses on general social and educational topics; film displays; conferences and week-end schools; trade conferences; technical courses for employees; 'employees' rallies' at which employees and their relatives and friends are addressed by members of the Management and Education Committees; choirs and orchestras; drama classes and theatrical performances; and youth groups, men's, women's and mixed guilds.

To assist the local societies in study courses the Co-operative Union has organized a system of graded courses in social and co-operative studies, in co-operative management and co-operative secretaryship; it provides syllabuses for all the subjects included, sets examinations and awards certificates and diplomas.

In 1946-47 day continuation classes (to attend which young employees in co-operatives are released during their working time) were being operated by 54 co-operatives and attended by 3,212 students; in technical education 343 classes with 4,869 students were registered with the Co-operative Union; in social subjects there were 210 classes with 3,998 students. In addition, there are social and technical studies not registered with the Co-operative Union, cultural and dramatic groups, etc., short-term schools and conferences.

Under the scheme of correspondence tuition, 2,661 students were engaged during the 1946-47 session on studies of social, managerial and secretarial subjects. This work, in common with all other educational activities, suffered, during the war years, but it is making a good recovery.

Among children and young people, educational and social activity had for long been carried out by various consumer co-operatives. In 1942 these activities were co-ordinated in the Co-operative Youth Movement — a national organization of junior groups and youth clubs comprising 'Playways' for children of 7 to 11 years of age, 'Pathfinders' for children of 11 to 15, and 'Youth Clubs' for young people aged 15 to 21. These

units are formed in association with the local co-operatives, and the function of the Co-operative Union is that of stimulation, advice and co-ordination.

Membership of the Co-operative Youth Movement is open to all young people. Its activities are very varied, but centre on the teaching of the social significance of co-operation. For 1948 the statistics are not yet complete, but the available figures for the number of groups and membership are : Playways, 226 groups with 6,816 members; Pathfinders, 254 groups with 7,725 members; Youth Clubs, 302 groups with 16,638 members, making a total of 782 groups with 311,179 members.

The Co-operative College, which recently settled in new premises at Stanford Hall, Loughborough, was founded in 1919. It is organized in three faculties — social, managerial and secretarial. Students attend generally for a full session of three terms, with scholarships provided from the national funds of the Co-operative Union, from the Sections and Districts of the Union, from individual wholesale and retail societies, and, in certain circumstances, from public funds.

In the first term of the session 1947-48, 86 students came into residence and were distributed over the three faculties as follows : social, 36; managerial, 28; and secretarial, 22. In addition, 12 students from various colonial territories attended for the first of a special series of courses in Colonial Co-operation, provided at the request of the Colonial Office. The College also undertakes an extensive programme of summer schools, both at Stanford Hall and elsewhere.

In its educational policy, the British co-operative movement seeks collaboration with the public authorities and with other organizations. As regards general technical and adult education, opportunities for using the facilities of public institutions are provided through the Education Acts of 1944 (England and Wales) and 1945 (Scotland), under which it is incumbent on Local Education Authorities to provide adequate facilities for 'further education' in both adult and technical education and, in drawing up their schemes, to have regard to the work of the voluntary bodies. The Co-operative Union is, moreover, represented on such bodies as the National Foundation for Adult Education (the main objective of which is to 'promote understanding between bodies engaged in the field of adult education with a view to co-operation wherever possible on matters of common interest'); the Council for Educational Advance (which was established by the National Union of Teachers, the Workers' Educational Association, the Trades Union Congress and the Co-operative Union to assist in creating an enlightened public

opinion which would ensure the passing of progressive Education Acts); the Workers' Educational Association; the British Association for Commercial and Industrial Education, etc.

The co-operative movement seeks the inclusion of co-operative studies in the curricula of public educational institutions and of other educational organizations. Developments in that direction have, however, been spasmodic and limited, and the direct educational provisions of the co-operative movement itself are still, in effect, the only source of study of the principles and techniques of co-operation in Great Britain.

#### d) INDIA : CO-OPERATIVE EDUCATION IN THE PROVINCE OF BOMBAY

Up to 1946 there were two main agencies for co-operative education and training in the Province of Bombay. One was the Bombay Provincial Co-operative Institute (founded in 1918) which arranged for the education and training of the personnel of co-operative organizations. The other was the Co-operative Department, which undertook the training of its own staff.

In April 1946 a Committee on Co-operative Education and Training, under the chairmanship of Sir J. A. Madan, was appointed by the Government of Bombay to review the existing arrangements and to make recommendations for future organization. The principal finding of this Committee, which reported in October 1946, was that the administration of co-operative education and training in the Province should be centralized under the Bombay Provincial Co-operative Institute, the machinery of which would be suitably adapted and extended for the purpose.

These proposals, which have now been implemented, must be seen against the background of co-operative developments in Bombay. The boom created by war-time conditions gave a powerful fillip to the Co-operative Movement in general; the basis of many rural credit societies was broadened by allowing them to undertake functions other than credit; a network of co-operative marketing organizations was established; and there was a considerable development in consumer co-operation. At the end of the year 1944-5, there were in the Province 6,653 societies with a total membership of 1,191,791. Agricultural credit societies formed the bulk (4,160) of this number, followed by urban credit organizations (830), consumer co-operatives (456), agricultural marketing societies (372) — including 184 multi-purpose societies — various co-operative organizations for agricultural improvement (231), weaving and other small-scale industrial

co-operatives (153), housing co-operatives (126), etc. Some of these types of co-operative activity, notably the marketing and consumer co-operatives, have undergone substantial development in recent years, while others, e. g. small industrial co-operatives, are likely to increase considerably in numbers under the post-war schemes of the Co-operative Department.

Past, present and anticipated developments caused the Madan Committee to observe that 'the co-operative movement in our Province is at a stage where the satisfactory working of the existing institutions and their future development calls for a systematic effort at imparting appropriate training to the personnel employed by them.' The Committee was encouraged in its decision to recommend the amalgamation of the teaching activities of the Institute and the Department by the fact that 'this Province has built up very healthy traditions of close co-ordination of work between officials and non-officials.'

The structure of co-operative education in Bombay, as proposed by the Madan Committee and implemented by the Provincial Institute, is in three levels, viz. district, regional and provincial.

#### *District level*

The district organization forms the foundation of the new scheme. It is administered by district co-operative boards which aim, in each of the 19 districts, to assist the Institute in carrying out educational work, to serve as a local platform for developing co-operation, and to perform the same functions in the district as the Institute performs, for the Province as a whole. Provision is made for the appointment by the Institute in each district of a full-time, well-qualified Educational Supervisor, who works under the control and supervision of the district board and acts as its secretary. Apart from their principal function as organizers of co-operative education within their respective districts, the Educational Supervisors have certain duties to perform in respect of research, publications and propaganda.

Educational work in the districts is concerned mainly with training courses for secretaries of agricultural credit societies and small multi-purpose co-operatives. The courses are arranged in classes of 4 weeks' duration, and are to be held at least twice a year. Certificates are issued to those who have completed the course satisfactorily. Persons not actually serving as secretaries may be allowed to join the classes, but receive certificates only after a given period of practical work in the office of one or more co-operative societies. The syllabus for the secretaries' course comprises : law; constitution; working and management of co-operatives; co-operatives' accounts and secretarial practice;

central and land mortgage banks; agricultural non-credit societies; instructions for supervision and propaganda; agriculture and agricultural marketing.

In addition to these courses, refresher courses of 7 days' duration are arranged for co-operative secretaries. The intention is that each secretary, after completing his course of training, should attend a refresher course at least once every two years. Furthermore, 3-day classes for committee members of agricultural credit and small multi-purpose societies are organized in the districts, their syllabus comprising : the co-operative movement; working of co-operative societies, functions of office bearers, members and secretaries; the working of the Co-operative Department in relation to co-operative societies; central financing institutions and supervising unions. The district educational programme also includes lectures by the Educational Supervisor to co-operative members, the ideal being that every member of every society should know at least the bare elements of the principles and practices of co-operation and the general rules under which his society works.

#### *Regional level*

The training of the secretaries of credit and small multi-purpose societies and other primary village co-operatives can be carried on within a district, but the training of secretaries of big multi-purpose societies and of small marketing organizations requires more elaborate arrangements, as does the training of the lower staffs of the Co-operative Department and co-operative institutions, e. g. supervisors, bank inspectors, and assistant co-operative officers. To meet these special needs regional schools have been set up, one in each of the three natural linguistic divisions of the Province. The schools are under the administrative control of Divisional Boards comprising : a divisional representative of the Institute, the Divisional Deputy Registrar, a representative of the Central Bank, a representative of rural credit societies to be co-opted by the Board, and the Superintendent of the School. Later, when the schools are well established, these Boards may develop into committees of divisional branches of the Institute, performing the functions within the division which the Institute performs in the Province. A number of experienced officers have been made available by the Co-operative Department as full-time teachers at the regional schools, and the services of three farm superintendents have been made available by the Department of Agriculture for part-time teaching. All three schools opened in June 1947, and for the time being the number of pupils has been limited to 50 at each. The courses comprise tuition in (a) general subjects (rural economics and theory and

practice of co-operation; co-operative and other law; bookkeeping and accountancy, general management of co-operative societies and secretarial practice; elements of agriculture); and (b) special subjects (marketing, banking, industrial co-operation, consumer co-operation). The five general subjects are compulsory, while the students are allowed to choose one of the special subjects for optional study. The duration of training at the regional schools comprises 4 months' theory coupled with 2 months' practical training. The plan of work for the schools includes 7-day refresher classes at suitable intervals, in which the main categories of the personnel for whom the schools are intended are expected to take part at least once every 3 years.

#### *Provincial level*

The establishment of the Co-operative Training College in Poona completes the co-operative educational edifice. It is intended for the training of higher departmental staff and persons holding key positions in co-operative institutions. It provides a course of 1 year (9 months' theory and 3 months' practical experience) as against the 6 months' course of the regional schools. The medium of instruction at the College is English, whereas the regional schools teach in the vernacular. Admission to the College is allowed only to graduates, while the regional schools admit persons who have matriculated. The College will award 'The Higher Diploma in Co-operation', while the regional schools award 'The Higher Co-operative Certificate'.

The College syllabus comprises : (a) a compulsory group of subjects comprising the theory, history and practice of co-operation; co-operative and other law, bookkeeping and accountancy; agricultural economics, including elements of agriculture; and banking; and (b) optional subjects, of which one has to be taken by each student, comprising the detailed working of co-operative societies; co-operative education or the working of the Co-operative Department; advanced accountancy and auditing; marketing; and banking.

The Co-operative College is governed by a Sub-Committee of the Executive Committee of the Institute, and comprises : the Chairman of the Bombay Provincial Co-operative Institute, the Registrar of Co-operative Societies, one distinguished educator, one distinguished co-operator, the Chairman of the Co-operative Banks' Association, and the Principal of the College. Three senior officers of the Co-operative Department have been detached to act as Principal and full-time professors at the College, the teaching staff of which is completed by three part-time experts. In 1947 52 students were taking the College course, 32 of them

being officials of the Co-operative Department, together with seven officials of co-operative institutions and 13 outsiders.

In addition to the intensive training of the paid whole-time personnel, the Bombay Provincial Co-operative Institute is acting on the recommendations of the Madan Committee in respect of the diffusion of co-operative knowledge among co-operators and the general public. Thus, the Director of Public Instruction, on the request of the Institute, has agreed to include lessons on co-operation in the textbooks for primary and secondary schools. The Institute has also arranged with the All India Radio that each month three talks will be broadcast from the Bombay Station of A. I. R. The regional schools are also being equipped with libraries on co-operation and with reading rooms.

In connexion with the re-organization of the co-operative educational system, the need has been further stressed of suitable co-operative literature both in English and in the regional languages. Accordingly, the Institute has planned to issue a series of publications, including textbooks on co-operative law, co-operation, etc. The Institute publishes its own journal in English — *The Bombay Co-operative Quarterly* — and it is intended that the regional schools shall conduct monthly or quarterly journals in the vernacular languages. In addition, the Institute intends to publish a fortnightly news bulletin in English containing current information on co-operation, agriculture, rural development, etc., communicated by the district Educational Supervisors.

For the financing of the reorganized co-operative educational scheme in the Province, the Government of Bombay has accepted the recommendation of the Madan Committee that all co-operative organizations in the Province declaring a dividend of 4% or more should contribute 1 or 2% of their net surplus towards the educational fund of the Institute. Educational expenditure by the Institute over and above these receipts is to be borne by the Government itself.

e) POLAND : THE SCHOOL OF HIGHER CO-OPERATIVE STUDIES AT THE JAGIELLONIAN UNIVERSITY

The Higher Course in Co-operation, initiated at the Jagiellonian University of Cracow in 1924, was re-organized and greatly developed at the beginning of 1946. Parallel to the expansion of the Polish Co-operative Movement, the course had grown considerably, both in enrolment and in the scope of studies. Then, in

January 1946, the advanced teaching of co-operation was given a new statute by the Ministry of Education, and in September 1946 regulations were issued by the same Ministry to govern examinations and degrees (in economic science and co-operation). These two measures provided the foundation for a new School of Higher Economics and Co-operative Studies, attached to the Jagiellonian University.

In addition to the four original chairs (i.e., in the economics of co-operation, commercial technology, the organization of co-operative trade, and the organization of co-operative industry), a fifth chair (in economic and financial policy) is now being founded. The object of the courses is to prepare students for scientific research in co-operation and associated subjects, to train workers for the co-operative movement and related fields of activity, and to provide teachers for the co-operative schools (there are at present in Poland 70 co-operative colleges and a large number of lower schools).

Conditions of entry to the co-operative course are the same as those governing entry to the other Faculties of the University, i.e., a matriculation certificate. The programme comprises four years of study : three years of lectures ending with examinations bearing on the different branches taught, followed by two terms of practical work, and finally, the examinations for the M. A. Degree, which are based on economics, the economics of co-operation, and a paper prepared under the direction of a professor. The members of the Examination Board are selected by the Faculty Council, and are appointed by the Minister of Education.

In addition to the special subjects included in the programme each year, two foreign languages (with commercial correspondence) are compulsory; students may choose any two of the following : Czech, English, French, German and Russian. During the first and second years the students take a practical course in commercial technology. In the third year they are at liberty to specialize in one or another of the branches included in the programme, at present the following : the preparation of agricultural products for sale (especially the organization and economy of agricultural co-operation; the foundations of agricultural production — crop-growing, cattle-breeding, product marketing, etc.; other sub-specializations are likely to be introduced in due course, such as grain and seed trade, dairy-farming, etc.); insurance, finance (especially the organization and administration of credit co-operatives); and education (especially psychology, pedagogics and social hygiene). Furthermore, the students are trained in individual work by the seminar exercises they are required to perform.

The School of Co-operation at the Jagiellonian University enjoys great popularity in Poland. One thousand students are at present taking its courses, while many applicants could not be accepted owing to the shortage of places. Notwithstanding the difficult conditions, due to the war, under which the re-organization is being carried out, the work accomplished so far is by no means negligible. The School already possesses its own library, has a staff of qualified assistants, and has issued its first scientific publications. Plans are under way for independent premises for the School, accommodating, in addition to the School itself, living quarters for the students — as communal living will contribute still further towards fitting the students for their future rôle as co-operative workers.

An Association of Friends of the School of Co-operation at the Jagiellonian University was founded in 1946. It has members in all parts of the country, and its Board includes well-known personalities from the co-operative movement and economic and administrative circles. Its principal aim is to assist the School to obtain the material means for the development of its various institutions.

#### f) SWEDEN : THE 'VAR GARD' CO-OPERATIVE SCHOOL.

The teaching of co-operation, organized under the auspices of the Swedish Co-operative Union, centres around three chief institutions : the Correspondence School, founded in 1919; the co-operative study circles, the first of which was formed in 1921; and the Co-operative School *Var Gard* (Our House), which dates from 1924. Mention should also be made of the School's monthly journal *Var Tidning* (Our Newspaper) and of the weekly paper *Vi* (Ourselves) of the Swedish Co-operative Union, though it is mainly a family paper and is not directly concerned with the teaching of co-operation. At the present time it has the largest circulation of any Swedish weekly.

The teaching given at the Co-operative School *Var Gard* presupposes that students have had some elementary preparation through the Correspondence School and a measure of practical experience. It does not so much supplement this previous indispensable training as provide over-all guidance to make that training more fruitful.

Since 1933 correspondence courses have been independent of the School and are conducted by an independent section of the Swedish Co-operative Union. They are intended for the general

public and cover a wide range of subjects — the Swedish language, book-keeping, political economy, co-operation, etc.

The activity and methods of the co-operative study circles and their rôle in the strengthening and development of the Swedish co-operative movement are well known and need not be dwelt on here.

For a proper understanding of the interdependence of these methods of training it is important to note that at the Co-operative School admission to certain courses depends on the student's having previously participated, for at least one winter, in the work of a study circle; that no one can join courses who has not been regularly employed for at least a year in a consumer's co-operative; and lastly that the correspondence teaching and the oral teaching at the School are co-ordinated and complementary.

As to the conditions of admission to the three standard courses of the school — the first, lasting one week, is for young employees of about 20 years of age; the second is for employees aged 25-27 and for certain managers (one month); the third is for employees between 27 and 30 years of age who show aptitude for the post of manager and other positions involving greater responsibility.

For admission to the first course the student must have followed a correspondence course on co-operation, model rules and work in stores. For the second he must have taken correspondence courses in book-keeping, arithmetic, calligraphy, political economy, co-operation, etc. The third course prescribes previous study by correspondence of commercial law and more advanced political economy, book-keeping, etc. Applicants must also have already followed the second course and have qualities fitting them for leadership.

In addition, the School offers special courses for the various categories of employees; for instance, a week's course for employees in each of the following departments, grocery, butchery, hosiery, footwear; a course (1 month to 5 weeks), a supplementary course (1 month to 5 weeks) and a refresher course (2 weeks) for managers; a course for clerks (1 week), for workers (1 week), for supervisors (one week); and a one week's series of meetings with district auditors of the Swedish Co-operative Union.

There are also courses lasting one week for management committees, district committees, chairmen of co-operative study circles, women's groups, etc.

Finally, a stay of two years at the School is open to a small number of carefully selected students who are intended for specially important posts, such as director of a large society, director of propaganda, etc. While at the school such students are at the same time trained as assistant professors : they visit consumers'

co-operatives, hold meetings with the staff and give lectures. Most of the students are store managers and they must have already passed through the three standard courses and have shown practical capacities and qualities of leadership. For the whole time that they are at the school they receive the same salary as they were earning in their previous post.

In principle, and in the case of most students, all the expenses of participation in correspondence courses and of residence at the School, and, as a general rule, travelling expenses, are borne either by the Swedish Co-operative Union or by the co-operative in which the student is employed.

The methods used at the School take into consideration the generally short period of attendance. They aim chiefly at helping students to pursue and add to the instruction they have received in the study circles and through the various correspondence courses. They seek primarily to awaken or develop interest in the subjects taught and to provide the means of acquiring knowledge rather than the knowledge itself. Lessons involve an interchange of questions between students and teachers. The former are trained in research and for this purpose are organized into 'research groups' which, under the teachers' guidance, learn how to investigate a particular subject thoroughly. Wherever the oral courses and practical exercises concern some concrete subject, concrete methods of teaching are used. Actual goods are handled, window displays are arranged, visits are paid to productive undertakings of the Swedish Co-operative Union.

The School keeps in close touch with the co-operative movement. Teachers and their assistants visit co-operatives, organize night classes in stores, themselves work in stores during the day, give lectures to members, organize discussion meetings, and arrange interviews with management and district committees. Through these contacts the object of the teaching is readily adaptable to any new need, and methods can be adjusted. In its paper *Var Tidning* the School also gives advice and explanations about staff training.

Finally, the School follows its students' careers. It is thus in a position to have a fuller knowledge of their qualities, defects, failures and successes, which are also partially its own failures and successes. From this experience it also draws lessons useful to its own activity and is enabled to help co-operative organizations to select candidates for certain posts. It likewise collaborates closely with the employment bureau of the Swedish Co-operative Union.

In the light of what has been said above, it may be of interest to trace the 'ideal' study career of a fairly intelligent young man between 20 and 30 years of age.

For one or two years he will follow courses of the Correspondence School, and parallel with these will be receiving practical training in the store where he is employed. He will next spend a week at *Var Gard* where he will chiefly learn how to pursue his studies effectively. After that he will resume study by correspondence, which will include book-keeping and an introduction to the literature of co-operation, and he will participate in the discussions of a study circle. From this point he may become the manager of a small store. In principle, however, before becoming a manager — or frequently, after being appointed one — he will be expected to follow a five weeks' oral course at the School, where he will learn about the qualities and uses of merchandise, publicity, statistics, shop management, etc. Then he will carry on his studies by correspondence in political economy, book-keeping and commercial law, and will at the same time be encouraged to acquire experience in several co-operative societies. Finally, he will be admitted to the higher course (of five weeks) at the School, where he will have an opportunity to develop his qualities of leadership, accustom himself to public speaking, and gain the means of completing and perfecting his knowledge of political economy, co-operation, etc.

Last of all, if specially gifted, he will be invited to spend two years at the school as an assistant professor for training which will fit him to occupy higher positions in the co-operative movement.

#### g) SWITZERLAND : CO-OPERATIVE EDUCATION

The teaching of co-operation may be divided, according to its object in particular cases, into three types of course :

1. those which aim at the vocational training of sales employees and at improving the skills of managerial personnel, auditors of co-operative societies, leaders of study circles, etc.;
2. those which aim at the education of the members of co-operative societies;
3. advanced courses on co-operation, given in some universities and technical or commercial high schools.

In Switzerland, as in Sweden, most of the steps to promote training in co-operation have been organized under the auspices and with the moral and material support of the co-operative movement, acting to meet its own needs. In this work the Swiss Union of Consumers' Co-operative Societies (USC) and its affiliates

have played a leading part; apart from university and college instruction, the Co-operative Seminary at Freidorf, near Basle, may be regarded as the real educational centre of the Swiss co-operative movement.

This institution was founded in 1923 and since 1933 has been recognized as a vocational school for the training of sales personnel. It employs a teaching staff of about ten, and aims not only at training the personnel of co-operative societies for their various jobs, but also — by public classes and lectures, film shows, etc. — at helping to spread the idea of co-operation in all circles.

Until 1946, those who attended the various courses at Freidorf received their instruction, board and lodging free of charge. From this year onwards, they are being asked to make a small contribution to living expenses.

The instruction includes, firstly, short courses (generally in the summer, and varying from several days to several weeks) : for instance, refresher courses for administrative staff, members of committees, auditors, etc.; and courses of instruction for housewives, leaders of study circles, members of co-operative youth organizations, and teachers interested in the co-operative movement.

Secondly, there are courses intended specially for the training of sales personnel. A 'modern school for saleswomen', open to girls with a good secondary education, takes fourteen pupils (7 for each year of the course) and consists of two years' study, leading to an examination which carries with it the right to a certificate as saleswoman. Apart from the various subjects covered by the theoretical and practical instruction in selling (choice and purchase of products, storage dispatch, exchanges, sales by telephone, window dressing, packing materials, various sorts of advertising, etc.) the pupils may also attend classes in German and French (dictation, commercial correspondence invoicing, complaints, etc.). Further, they receive basic instruction in accountancy, commercial law, education, political and social science and citizenship, and are introduced in elementary domestic economy, cooking, hygiene, sick bed nursing and various other subjects.

The Freidorf Seminary also holds advanced courses lasting four months, reserved for the apprentices of the General Consumers' Society of Basle and district, and advanced theoretical and practical courses, also lasting four months, for already trained sales personnel. These are attended by about 60 persons.

Special courses have been or will be organized for the individual training of employees intending to enter various special branches

— e. g. dress materials, boots and shoes, household articles. Starting in 1947, a six months' training course, open every second year, enables saleswomen to increase their knowledge on methodical lines. Starting in the same year, a course in general administration — also biennial — attended by ten or twelve persons, prepares for a retailers' certificate or trains office staff for co-operative societies. This instruction begins with a one-year correspondence course and is completed by two months' study at the Seminary.

The Freidorf Seminary is now no longer sufficient to meet all the new calls upon it, and a parallel institution, the *Centre Coopératif romand*, was founded in 1947 for French-speaking Switzerland, at Chextres, near Lausanne; the capital was provided by the USC and the affiliated West Swiss societies.

Apart from the achievements of the Swiss Consumers' Co-operative Movement, mention should be made of the work done in the field of education by other co-operative centres. The Konsumverein at Winterthur, an affiliate of the Union of East Swiss Agricultural Co-operative Societies (VOLG) has since 1934 been organizing lectures and study groups for all its staff, and classes on co-operation for specified circles of employees. In the same way, the Federation of Raiffeisen Funds of the Canton of Vaud, established in December 1946 a series of regional courses of study and of administrative practice intended for cashiers and members of committees of the Funds.

Co-operation figures as a special subject in the curricula of three Swiss universities. In 1944, the University of Geneva introduced a certificate of co-operative studies, issued to masters and doctors of the Faculty of Social and Economic Science after two terms' supplementary study. The students must 'have attended lectures and taken part in work on co-operation, have submitted two papers on these subjects during the year and have completed a period of two months in a co-operative institution. They must also have passed various written and oral examinations. The classes and lectures leading up to the issue of this certificate are given on the one hand within the regular instruction programme of the faculty, and on the other, are entrusted to specialists in the different forms of co-operative economy.'<sup>1</sup>

The Universities of Basle and Berne established a Chair of Co-operation in 1945 and 1948 respectively. Regular classes on co-operation are given at the People's University, Basle, and occasionally at the Workers' University, Geneva. Lastly, a very full

<sup>1</sup> Report on Organization of Co-operative Education in Switzerland ' submitted to the Conference on Co-operative Education (Zurich, 2 October 1946), by Mr. C. H. Barbier.

course on co-operation has figured for the last two years in the curriculum of the Commercial High School at St. Gall; and the Federal Polytechnical School at Zurich has for several years been giving a course on co-operation in agriculture.

#### h) UNITED STATES OF AMERICA : THE GLF SCHOOL OF CO-OPERATIVE ADMINISTRATION

##### *Learning by doing*

The Co-operative Grange League Farmers' Exchange (GLF), a supply and marketing co-operative in the State of New York, set up in 1937 the GLF School of Co-operative Administration, and in 1940 began an organized training programme for its employees. This programme, devoted to teaching the fundamentals of co-operative service to farmers, is based on the idea that people learn best by doing and that therefore education in co-operative subjects must primarily be practical.

##### *Organization*

Most GLF schools are of three types, local, regional and central. The local schools include one community only and meet usually once a month; they are open not only to actual but also to prospective employees and to friends of GLF. The regional schools are held for employees of service agencies in a given region including several communities or localities about 25 or 30 such schools are required to cover GLF territory. They usually meet in the evening. The central schools are conducted for employees throughout GLF territory and meet usually at Ithaca, N. Y. Both regional and central schools serve either a given departmental group or employees from several departments, but in either case they usually cover inter-departmental functions.

##### *Student body*

The largest and most intensive central school courses are those for store managers, assistants and agent buyers. They last for about three days and the average attendance is over 100. Other central schools are conducted along similar lines for managers in the market division, farm contact men, petroleum managers, superintendents of fertilizer plants, foremen from various operating divisions, farmers' supplies services and maintenance men, secretaries, stenographers and other women employees in store and field offices. There are also periodic courses for new

employees. In addition, during the demobilization period, three to five-day refresher courses were held monthly for GLF employees returning from military service.

#### *Methods used and subjects taught*

The method of teaching involves as little theory as possible and the maximum participation on the part of students, who are asked to solve some definite problem of a practical nature. The problem is then collectively discussed and those present are encouraged to express their opinions and make suggestions. The school programme is varied by field trips to a nearby co-operative breeding station and by social gatherings with outside speakers.

The curriculum varies of course with the groups involved. While new employees are taught the principles of co-operative history, philosophy and law, most students receive instruction in GLF policy and organization. Subjects connected with all aspects of merchandizing, such as purchasing, marketing, inventory and quality control, are given great importance, as are credit and insurance questions. New GLF products are thoroughly explained to the students. Information is presented on research, educational work and the many other services provided by the Co-operative; the students are also given the essentials of public and personnel relations. In this connexion the farmers' point of view is usually presented by a GLF patron. From a more general angle, short and long range agricultural problems are also discussed.

#### *Aims and principles*

Since the fundamental purpose of the GLF schools is to improve service to the co-operative membership, the main stress is on a thorough knowledge of co-operative principles, procedures and terminology, together with the basic virtues of honesty, courtesy and self-reliance, which translated into practical everyday terms perpetuate the co-operative spirit.

In particular, the courses aim to help the managers and agent buyers to perform their functions efficiently. In advising patrons, they are trained to take certain circumstances into consideration. For instance, they must consider whether the patron can pay cash or not for his purchase, and whether the feed or fertilizer he is offering to the patron is the one really suited to his needs. Trained in this way, the managers and agent buyers become real technical advisers and disinterested guides to the farmer patrons. At the same time these courses help to train teachers and future leaders of co-operation.

*Teaching staff*

The schools are headed by an educational director; most of the teachers are recruited from the ranks of the GLF and the educational responsibilities represent only a part of their duties. The GLF teachers plan their educational programme in co-operation with their departmental heads and with the educational director. Often specialists are invited in from landgrant colleges and from farm organizations.

*Results and prospects*

The GLF programme, though extensive, is still considered inadequate by its sponsors, especially on the local level. Expansion has therefore been proposed. A suggestion frequently made by the students themselves is the need for more material covering co-operative philosophy.



## SCHOOL CO-OPERATIVES

*Definition*

School co-operatives may be defined as associations of primary and secondary school children (occasionally also including past pupils) who, in some cases independently, in other cases under the unobtrusive guidance of their teachers, collectively conduct a small enterprise, the economic object of which is concerned with their

common material and cultural requirements, as well as with the requirements of the school itself. The co-operatives' chief virtue, however, is educational rather than economic in character.<sup>1</sup>

They have developed principally, though not exclusively, on the continent of Europe. With them are associated the Young Farmers' Clubs, Young Stock-breeders' Clubs, etc., movements, which have spread mainly in Anglo-Saxon and Scandinavian countries.

#### *Geographical extent*

In one or another of these forms, school co-operatives or young people's co-operatives have sprung up in greater or lesser numbers in at least 26 countries : Argentina, Belgium, Brazil, Bulgaria, Cameroons, Canada, Ceylon, Czechoslovakia, Denmark, Finland, France, French West Africa, Great Britain, Hungary, India, Mexico, Poland, Rumania, Spain, Sweden, Switzerland, Tunisia, Union of South Africa, USA, USSR, Venezuela, Yugoslavia.

#### *Activities, object and mode of operation*

Reproducing on a smaller scale the form taken by co-operatives concerned with buying, banking and saving, selling, production, cultivation or breeding, and often conducting several of these operations simultaneously, school co-operatives engage in activities varying with the country, the requirements to be met and the available resources : the purchase in common of stationery and school textbooks, sometimes also of toilet articles or raw materials for manual work; the organization of operative restaurants; printing works; savings campaigns; loans; manufacture of various objects in wood or metal, or pottery-making, embroidery, weaving, knitting, etc.; agricultural or horticultural production, stock-raising and sale of its products, re-afforestation; the formation of libraries; the organization of conferences, youth festivals, choral and dramatic societies; sports and physical education; the embellishment and harmonious arrangement of the school; the creation of school museums and collection of educative material.

The economic object of school co-operatives may be the pupil himself (or his family) for providing him with financial means or for lightening the financial burdens of his school years; or the school, its upkeep and equipment; or even the locality and region : examples can be found of school co-operatives which by their example have propagated methods of production giving greater yields, or restored to their locality or region neglected or wasted

<sup>1</sup> See also, page 57.

resources. In nearly every case a concern for solidarity also manifests itself, the endeavour to relieve some misfortune either near at hand or remote.

The feature which all these societies have in common, and which distinguishes them from other children's societies and constitutes the reason for their peculiar educational interest, is to be found in the way they are constituted and the way they work. Practically all of them form genuine economic units run by the pupils themselves and grouped within a fully organized association, with its own statutes and its own deliberating and directing organs. In the majority of cases, however, the teachers have advisory or supervisory functions, which they exercise with tact.

*The part they play in the education of young people*

Apart from the economic benefits they bestow — for the most part directly or indirectly conducive to the spread of education — school co-operatives constitute valuable aids to schooling. It has been said of them that they are 'the popular realization of the new schools'. Their contribution in this connexion is twofold.

On the one hand, in certain countries school co-operation helps to equip the school with material means needed for the application of active constructive methods. On the other hand, in the opinion of educators who have had experience in the matter, the co-operative is in itself an instrument, a method and a means of mental and moral training. It not only constitutes a 'centre of interest' around which the knowledge acquired in class collects, develops and becomes more supple, but it also offers a direct means, based on practice, of acquiring that knowledge, to say nothing of other knowledge as well (for example, rudimentary economics) which does not as a rule figure in the primary school syllabus. Mainly because it makes a call on the child's whole personality, it discloses and brings into play abilities which school-room exercises are ill qualified to disclose or develop; not only the mental qualities and judgment, practical thinking, imagination and orderliness that go to make up organizing ability, but affective qualities such as the feeling of solidarity and even the artistic sense, likewise qualities of character : initiative, decision, self-control, self-respect and respect for others, training for freedom, a sense of responsibility. The comparison of mind and mind working in association develops the ability to think. Work done in common helps the co-operators to learn the real meaning of discipline and the compelling force of moral law. The risks and responsibilities involved in the conduct of the enterprise introduce a seriousness and a realism into the fun of the school co-operative.

## CO-OPERATIVE EDUCATION

Finally, school co-operation is a preparation for social life, especially well adapted because it is an exercise in social life at the right level for children.

### *Some references*

Brazil. Departamento de assistencia ao cooperativismo. *Cooperativismo Escolar*. São Paulo, 1947. 23 pp.

Colombain, M. *La valeur éducative des coopératives scolaires*. Paris, Fédération nationale des coopératives de consommation; Basle, Union suisse des coopératives de consommation; Bruxelles, Les propagateurs de la coopération, 1941. 43 pp.

Delom, B. *El Cooperativismo en las Escuelas*. Buenos Aires, Federación Argentina de cooperativas de consumo, 1947. 101 pp.

Lamberton, H. R. *School co-operatives*. Regina, The Co-operative Union of Canada, 1942. (Junior co-operative series, no. 1.) 18 pp.

## SOME CO-OPERATIVE DOCUMENTATION AND TRAINING CENTRES

The seven or eight hundred *federations* of co-operative societies existing in about sixty countries may be considered as co-operative documentation centres of varying degrees of importance. Most of them have a library and some of these libraries have very valuable collections. Almost all these federations publish an annual report, and one or more weekly, monthly or quarterly journals (some more technical, others more popular); the most important also publish books on social and economic questions, the co-operative movement, its doctrines, history and methods. The federations of different countries often exchange their publications. By virtue of their functions, they have a more or less numerous staff of propagandists, instructors and organizers, and — though less generally — a more or less developed system of theoretical and practical classes on co-operation. All are able to supply models of statutes, as well as legal and other advice.<sup>1</sup>

In many countries, particularly Argentina, Australia, Belgium, Brazil, Bulgaria, Canada, China, Colombia, France, Germany, Hungary, Mexico, Palestine, Poland, Switzerland, USA and Yugoslavia, a more or less important place has been given to the teaching of the co-operative movement in the Universities and in the secondary or continuation schools.

The Ministries (Labour, Social Affairs, Agriculture, Economics, etc.) which, in most countries, include departments specially dealing with co-operative institutions (legislation, credits, statistics, etc.) also frequently establish useful sources of information. There are even Ministries of Co-operation, as in Canada (Province of Saskatchewan), Hungary and Ceylon. Certain of these departments or ministries, particularly in Canada and the United States, publish handbooks and practical guides, which contribute to the establishment, organization and administration of co-operative institutions.

More directly associated with co-operative work, by their tasks of education, stimulation and control, are the Registrars of co-operative societies, or departments of co-operation — in India, the Malayan Union, Ceylon, Australia, the Union of South Africa,

<sup>1</sup> A recent list of these federations, with the name of each of them in its national language (translated, where necessary, into English and French), as well as its address, was published by the International Labour Office as a supplement to *Co-operative Information*, 1948-1949.

and in most of the British possessions. Frequently it is they who have established and brought to their present stage of development the co-operative organizations existing in these countries or territories.

In certain countries, particularly in the Ibero-American Republics, departments attached to certain ministries contemplate a similar task. The best-known of these are :

in Argentina : Dirección de economía rural y estadística, Registro, inspección y fomento de cooperativas (Ministerio de Agricultura);

in Brazil : Seção de Registro e Fiscalização das Sociedades cooperativas (Ministério da Agricultura); Departamento de Assistencia ao Cooperativismo (Secretaria da Agricultura, São Paulo); Departamento de Assistencia ás Cooperativas (Secretaria de Agricultura, Recife); Seção de Cooperativas (Secretaria de Agricultura, Natal), etc.;

in Chile : Departamento de Cooperativas agrícolas (Ministerio de Agricultura, Santiago); Comisariato General de Subsistencias, Departamento de Cooperativas (Ministerio de Trabajo, Santiago);

in Colombia : Departamento de Cooperativas (Ministerio de Trabajo, Higiene y Previsión Social, Bogotá) ;

in Ecuador : Departamento de Cooperativas (Ministerio de Previsión Social, Quito);

in Guatemala : Departamento de Fomento cooperativo (Calle Poniente, Guatemala, C. A.) ;

in Mexico : Oficina de cooperativas de consumo (Secretaria del Trabajo, Mexico); Dirección general de fomento cooperativo (Secretaría de la Economía Nacional, Mexico);<sup>1</sup>

in Peru : Departamento de Cooperativas (Ministerio de Agricultura, Lima).

In Burma a department of co-operation, established in 1904, is still functioning.

Lastly, in addition to the federations, their libraries, archives, publications, departments of education and legal advice; in addition to instruction given in certain universities and schools besides the official departments of co-operation, there are, in a fairly large number of countries, public or private institutions which must be included among the centres of co-operative documentation or training. These institutions are of very different kinds, according to the relations which they do or do not maintain with the federations, universities and official departments of co-operation, and also according to their aim, which may be documentation and research, or the teaching and dissemination

<sup>1</sup> Further, the Department of Agriculture is concerned with co-operatives called *egidales* and the Department of Education with school co-operatives.

## CO-OPERATIVES AND FUNDAMENTAL EDUCATION

of co-operative principles, or the training of directors, managers, secretaries, etc., or the promotion of the co-operative movement, or several of these aims together.

It is hardly possible to give an exhaustive list of them, but it may be of use to indicate some of the main types in the various countries:

### *International*

International Labour Office, Geneva, Switzerland ;  
International Co-operative Alliance, 14 Great Smith Street, Westminster, London, S. W. I. ;  
The Horace Plunkett Foundation, 10 Doughty Street, London, W. C. 1 ;  
The Co-operative Reference Library, 10 Doughty Street, London, W. C. 1 ;  
Escuela Interamericana de Orientación cooperativa, c/o Universidad del Cauca, Popayan (Colombia) ;

### *Argentina*

Centro de Estudios Cooperativos, Corrientes 1723, Buenos Aires.

### *Belgium*

Les Propagateurs de la Coopération, Place Emile-Vandervelde 17-21, Brussels ;  
Centre d'Etudes coopératives, 14 rue du Jardin Botanique, Liège.

### *Bolivia*

Instituto cooperativo Boliviano, La Paz.

### *Brazil*

Centro Nacional de Estudos cooperativos, São Paulo.

### *Canada*

Agricultural Extension Department of the University of Saskatchewan ;  
Extension Department of St. Francis-Xavier University, Antigonish, Nova Scotia ;  
Service Extérieur de la Faculté des Sciences sociales, Université Laval, Québec.

### *Ceylon*

School of Co-operation, Peradeniya, near Kandy.

*Chile*

Departamento de Extensión Universitaria, Universidad de Chile, Santiago ;  
 Centro de Estudios cooperativos de la Ciudad de Santiago, Moneda 1140, 5º piso, Santiago.

*China*

S. Y. Hsueh Memorial Library (Co-operative Reference Library), 400 Central Road, Nanking ;  
 The Chinese Co-operative Economic Research Association, 3rd Floor, 65 Ta Min Road, Shanghai ;  
 The Sandan Bailie School, Sandan (Kansu).

*Colombia*

Instituto Cooperativo de la Universidad del Cauca, Popayan ;  
 Centro de Estudios Cooperativos, Antioquia.

*Cuba*

Instituto Nacional de la Cooperación, Calle Industria, 272, Havana ;  
 Escuela de Cooperación, Calle Industria 272, Havana.

*Denmark*

Den Danske Andelskole, Middelfart.

*Finland*

Co-operative School of the General Union of Consumers' Co-operatives, Vilhonkatu 7, Helsinki ;  
 Co-operative School of the Central Union of Consumers' Co-operatives, Kirkkokatu 14, Helsinki.

*France*

Office central de la Coopération à l'école, Musée pédagogique, 29, rue d'Ulm, Paris (5<sup>e</sup>).

*Germany*

Genossenschaftsschule, Wilhelmshaven-Rüstersiel.

*Great Britain*

The Co-operative College, Stanford Hall, Loughborough, Leicestershire.

*India*

Co-operative Training College, Poona (Bombay) ;  
 The All-India Village Industries Association, Wardha, Central Provinces.

CO-OPERATIVES AND FUNDAMENTAL EDUCATION

*Jamaica.*

Jamaica Co-operative Development Council, 74½ Hanover Street, Kingston.

*Mexico*

Instituto de Investigación y Estudios Cooperativos, San Juan de Latran 13, desp. 402, Mexico, D. F.

*Norway*

Samvirkeskolen, Kirkegaten 4, Oslo.

*Panama*

Instituto nacional de Cooperación, Panama.

*Peru*

Instituto Cooperativo del Peru, Guadalupe 1072, Lima.

*Poland*

Spoldzielezy Institut Naukowy (Institute of Co-operative Studies),  
Ul. Kopernika 30, Warsaw;  
Studium Spolzielcze, Uniwersytetu de Jagiellonskiego (School of Higher Co-operative Studies), Ul. Mickiewcza 21, Cracow.

*Puerto Rico*

Departamento de Extensión de la Universidad de Puerto Rico.

*San Salvador*

Banco Hipotecario del Salvador, San Salvador.

*Sweden*

K. F. Utbildningsanstalt 'Vår Gård', Saltsjöbaden, near Stockholm.

*Switzerland*

Séminaire Coopératif, Freidorf, Basle.

*U.S.A.*

American Institute of Co-operation, Suite 702, 1302 Eighteenth Street, N. W., Washington 6, D. C.;  
Rochdale Institute, 167 W. 12th Street, New York;  
The GLF School of Co-operative Administration, Ithaca, New York.

APPENDIX I

*Uruguay*

Centro de Acción y Estudios Cooperativos del Museo social  
Uruguayo, Montevideo.

*Venezuela*

Centro de Estudios Cooperativos de Venezuela, Apartado 874.  
Caracas.

## SUGGESTED FURTHER READING

## BOOKS, REPORTS AND PAMPHLETS.

Columbia University. Teachers College. Workshop on Organization and Administration of Rural Education. *Co-operatives in School and Community*: a teacher's guide. New York : Bureau of publications, Teachers College, Columbia University, 1947. 84 pp.

Co-operative Wholesale Society (England). *The People's Year Book*, 1949. Manchester: Co-operative Wholesale Society, 1949.

Digby, M. *Co-operation: What it Means and How it Works*. London : Longmans, Green, 1947. 96 pp.

The World Co-operative Movement. London : Hutchinson, 1948. 168 pp.

Food and Agriculture Organization of the United Nations. *Technical Meeting on Co-operatives, held in Lucknow, United Provinces, India, 24 October-3 November, 1949. Official Reports and Supplementary Papers*. Washington, D. C. : FAO, 1949. (Processed).

Great Britain. Colonial Office. *The Co-operative Movement in the Colonies*. (Colonial No. 199). London: H.M.S.O., 1946, 35 pp.

Han-Seng, Chen. *Gung Ho: The Story of the Chinese Co-operatives*. (I. P. R. Pamphlets no. 24). New York : American Institute of Pacific Relations, 1947. 63 pp.

Hedberg, Anders. *Consumers' Co-operation in Sweden*. Stockholm : Kooperativa forbundet, 1948. 80 pp.

Horace Plunkett Foundation. *Yearbook of Agricultural Co-operation*, 1949. Cambridge : Heffer, 1949. 384 pp.

Infield, T. A. *Co-operative Communities at Work*. London : Kegan Paul, Trench, Trubner, 1947. 182 pp.

International Labour Office. *The Development of the Co-operative Movement in Asia*. Geneva : I. L. O., 1949. 84 pp.

## APPENDIX II

McKay, A. W. *Farmers' Co-operatives in Our Community*. Washington, D. C.: Govt. Print. Off., 1948. 37 pp.

Renu, L. *Industrial Co-operatives and Village Industries in Bombay Province*. Bombay: Bombay Provincial Industrial Co-operative Association, 1949.

Reserve Bank of India. *Co-operative Farming*. Bombay: Reserve Bank of India, 1949.

*Co-operation in Ceylon*. Bombay: Reserve Bank of India, 1948.

*Review of the Co-operative Movement in India, 1939-46*. Bombay: Reserve Bank of India, 1948.

Wilson, J. L. B. *Co-operative Digest*. Lusaka, Northern Rhodesia: Government Printer, 1948. 44 pp.

### JOURNALS

*Co-op*; journal of technical assistance and information for local co-operative officers, directors, employees and committee members. Chicago: Co-operative League of the U. S. A., 1945 to date. Monthly.

*Co-operative Information*. Geneva: International Labour Office, 1923 to date. Irregularly issued.

*Co-operative Review*. Manchester: Co-operative Union of Great Britain and Ireland, 1926 to date. Monthly.

*Ensemble! Revue de la Coopération*. Québec: Conseil Supérieur de la Coopération, 1940 to date. Monthly.

*Review of International Co-operation*. London: International Co-operative Alliance, 1909 to date. Monthly.

*Series on Co-operatives*. (English and Spanish editions). Washington, D. C.: Pan American Union, Agricultural Co-operation Division, 1936 to date. Irregularly issued.

## I N D E X

Agriculture, improvement 10-12, 23, 27, 50-51, 94, 101; loans 26; youth work 93.

Administration 20, 21, 49, 62, 85-86, 97-98.

Alley, R. 74, 76, 131-139.

Antigonish 13, 118-119, 162.

Arbitration 27, 107.

Artisans' co-ops, *See* Industrial co-ops.

Austria 39.

Bailie, J. 76, 130.

Bengal, 11, 97-101, 104.

Bergengren, R. F. 32, 34-35, 38.

Better living co-ops 106.

Bibliographies 21, 30, 38, 45, 47, 49, 99, 139, 159, 166.

Boeke, J. H. 212.

Bombay 43, 142-146.

Boniface, M. 51-53.

Bulgaria 58, 59.

Buying clubs 43-45, 122.

Cabinet makers 71.

Canada 13, 34-35, 37-38, 45, 58-60, 103, 124-129, 162.

Capital 19-20, 31, 37, 42-46, 55, 68, 71, 118.

Ceylon 47-49, 109-110, 117-118, 162.

China 13, 22-30, 40, 42-43, 73-77, 102-103, 130-138, 163.

Chinese Industrial Co-operatives 73-77, 104, 130.

CIFRC 22-30.

Clint, A. 53-54, 112.

Coady, M. M. 13.

Common sheepfolds 50-53.

Constitutions for co-ops 24, 28.

Consumers' co-ops 18, 23, 29, 38, 39, 42-44, 45-46, 47-49, 54, 59, 72, 122, 139, 142.

Contributions 55, 90-91, 98, 100. *See also* Shares.

Co-operative Documentation Centres 160-165.

Co-operative education 25, 27-28, 48, 54, 123-124. *See also* Leadership training.

Co-operative movement. *See* various forms.

Co-operative plantation 53-54.

Co-operative training centres 160-165. *See also* Leadership training.

Co-operative Union (Gt Britain) 139-141.

Correspondence courses 124-126, 140, 148-149.

Cottage industries 23, 26, 66-69, 106, 122. *See also* Industrial co-ops, Technical progress.

Courses of study 27-28, 54, 124-125, 140.

Credit 10, 17-21, 25-26, 30-31, 32-33, 67, 78, 112, 113. *See also* Credit co-ops, Credit Unions.

Credit Bank 19.

Credit co-ops 11, 17-21, 23, 24-29, 30-31, 36-37, 38-40, 42, 51, 54, 64, 112, 114, 119, 142.

Credit Union National Association (CUNA) 35, 37, 38.  
Credit Unions 34-38, 46, 122.  
Cuba 103, 163.  
Curricula 54, 121, 123, 132, 143-145, 147, 149, 152, 155.

De Soyza, G. 109.  
Desjardins, A. 34.  
Dispensaries 31, 91.  
Dividends 20, 35, 37.  
Domestic workers. *See* Cottage industries.

Economic emancipation 10-12, 20-21, 23, 68, 84.  
Educative rôle of co-ops 9-14, 21, 38, 46, 61, 76, 82, 96, 108-109.

Farmers 50-55, 85. *See also* Agriculture.  
Fauquet, G. 14.  
Filene, E. 34.  
Finland 38, 115.  
Fishermen 61-66. *See also* Antigonish.  
France 57-58, 84-87, 163.  
Freidorf Seminary 152-153, 164.

Gambling. *See* Reform.  
Germany 17-21, 163.  
Gide, C. 85.  
GLF School of Co-op Administration 154-156, 164.  
Great Britain 38, 139-142, 163.

Habits, harmful. *See* Reform.  
Hand-weavers 70-71, 78-81.  
Hatch, Spencer 9.  
Health and hygiene co-ops 88-104.  
Health education 89-90, 92-94, 134.  
Health houses 91-92.  
Huss, B. 13, 122.

ILO 5, 9-10, 15, 59, 162.  
Immigrants 39.  
Indebtedness 10, 18, 23, 26, 31-34, 36, 56, 57, 58.  
India 11-12, 30-31, 39-40, 43, 78-81, 104, 106, 107-109, 142-146, 163.  
Indonesia 81-84.  
Industrial co-ops 10, 68, 69, 70-73, 142-143.  
Industrial hygiene 102-103.  
Industrial integration 73-87.  
Industrial workers 67.  
Inspection 25.  
Insurance 30-31, 64, 90.  
Intemperance. *See* Reform.

Jagiellonian University 146-148, 164.  
Jamaica 118-122, 164.  
Jamaica Welfare 119-121.

Kojic, G. 88, 89.

## CO-OPERATIVES AND FUNDAMENTAL EDUCATION

Labour co-ops 59, 68-69. *See also* Industrial co-ops.  
Laval University 124-129, 162.  
Leadership 23, 24, 117; training 27-28, 48, 54, 76, 111-156.  
Legislation 20, 28, 33-34, 35, 37, 95, 116, 120-121.  
Loan Associations 31-34.  
Le Play, F. 84.  
Liability, joint limited 90; joint unlimited 18-20, 21, 36-37.  
Libraries 19, 27, 31, 61, 72, 124, 126, 134-135, 146.  
Loans 10, 12, 18, 21, 24-26, 30-31, 35-37. *See also* Statistics.  
  
Madan, J. A. 142-143.  
Madras 43, 78-81, 107-108.  
Malaya 40.  
Marketing 10, 20, 81, 83, 85-87, 109.  
Maybin, J. A. 117-118.  
Migrant workers 59.  
Modernization of industry. *See* Technical progress.  
Morocco 50-53, 56-57, 61-63.  
Mseleku, W. S. 123.  
Multiple purpose co-ops 19, 29, 109, 142.  
Mutual help 9, 19, 26-27, 51-52, 113-114, 122. *See also* Voluntary labour.  
  
New Guinea 53-54.  
Nigeria 11, 40, 117, 118.  
  
Poland 39, 104, 146-148, 164.  
Popular education fostered by co-ops 12-13, 19, 23, 27-28, 53, 61, 72, 108.  
Preventive medicine 92, 98.  
Principles of co-operation 18-20, 36, 112.  
Processing co-ops 54-55.  
Production co-ops 29, 59.  
Prohaska, M. 88.  
Prohibition 107-108.  
Propaganda 24-25, 47-48, 54, 89, 115, 117.  
Purchasing co-ops 42.  
  
Radio 127, 146.  
Raiffeisen 17-21, 23, 24, 35-36, 112, 153.  
Raiffeisen principles 19-20, 24.  
Reafforestation 57-58.  
Reeder, Dr. 88.  
Reform of harmful habits 13, 25, 27, 105-110.  
Registrars of co-op societies 43, 54, 79, 107, 116-118, 160-161.  
Registration of co-ops 74, 115, 116-118.  
Relief work 19, 22.  
Rumania 60.  
Rural co-ops. *See* Various forms.  
  
Sales co-ops 27, 29, 64.  
Sandan Bailie School 130-138, 163.  
Savings 25-26, 28; Associations 31-34, 38-40, 42. *See also* Thrift.  
School and community 9, 31, 46, 51, 53, 89, 136-137.  
School co-ops 11, 57-58, 76, 156-159.  
Service co-ops 29.

## INDEX

Shares 20, 35, 36, 44, 62, 71. *See also* Contributions.  
Sitsen, P. H. 81.  
Size of co-ops 20, 30, 36, 71, 85, 97.  
St Francis Xavier University. *See* Antigonish.  
Stanford Hall, Loughborough 117, 141, 163.  
State support 29-30, 48, 65-66, 76, 78-79, 95, 100, 109, 120.  
Statistics co-operative : Bengal 98-99, 101; Bombay 142-143; Ceylon 48-49; China 25-29, 75, 77, 103; Credit Unions 37-38; Consumers' co-ops 40; Fishermen 65; French school co-ops 58; General 9-10; Jamaica 122; Madras 81; Purchasing co-ops 42-43; Rural credit co-ops 20; U. S. A. 32-33; Woodcutters 59-61; Yugoslavia 88-89, 95.  
Stock-raising 50-53.  
Strickland, C. F. 13, 105, 107.  
Study circles 121, 123-124, 126-129, 149-150.  
Supply co-ops 23, 27, 29, 43, 64.  
Sweden 148-151, 164.  
Swedish Co-operative Union 148-150.  
Switzerland 38, 39, 151-154, 164.  
  
Tagore, R. 97, 99.  
Talmaki, S. S. 100.  
Technical progress 10, 12, 53, 57, 63, 69, 71, 72, 76, 80, 82-83, 132-133.  
Thrift 17, 30-31, 35, 106.  
  
Unesco 5, 14-15.  
Union of South Africa 13, 122-124.  
University extension 124-129.  
U.S.A. 31-34, 35, 37-38, 45-47, 103-104, 154-156, 164.  
U.S.S.R. 58-61.  
Usury 10, 13, 18, 19, 20, 23, 26, 30, 31-34, 35.  
  
Var Gard 148-151, 164.  
Voluntary labour 52, 55, 58, 114. *See also* Mutual help.  
  
Watkins, W. P. 14.  
Wolff, H. W. 13, 21, 112.  
Woodcutters 56-57, 58-61.  
Workers' productive co-ops 68-69, 72, 80, *See also* Industrial co-ops, Production co-ops.  
  
Yugoslavia 54-55, 70-73, 88-96.  
Yui, J. 102.

THE JAMMU & KASHMIR UNIVERSITY  
LIBRARY.

**DATE LOAND**

Class No. \_\_\_\_\_ Book No. \_\_\_\_\_

Vol. \_\_\_\_\_ Copy \_\_\_\_\_

Accession No. \_\_\_\_\_

# Fundamental and Adult Education

---

A QUARTERLY BULLETIN

A technical journal intended mainly for specialists in fundamental and adult education, though the documents and information contained in it are within the scope of all those interested in educational problems. It contains articles describing important activities in fundamental and adult education, and statements about programmes and general lines of policy.



*Annual subscription:*

\$1.00      5/-      250 fr.

*Each number:*

\$ .30      1/6      75 fr.

Any of the Unesco national distributors will accept subscriptions; rates in currencies other than the above will be supplied on application to the national distributor in the country concerned. For information please write to Unesco, 19 avenue Kléber, Paris 16<sup>e</sup>.

## UNESCO PUBLICATIONS: NATIONAL DISTRIBUTORS

<b>ARGENTINA</b> Editorial Sudamericana, S.A. Alsina 500, BUENOS AIRES.	<b>COLOMBIA</b> Emilio Royo Martin, Carrera 9a, No. 1791, BOGOTA.	<b>GREECE</b> Eleftheroudakis, Librairie internationale, ATHENS.
<b>ASSOCIATED STATES OF CAMBODIA, LAOS AND VIET-NAM</b> Librairie Nouvelle Albert Portail, Boite Postale 283, SAIGON. <i>Sub-depot:</i> K. Chantarith, C.C.R., 38 rue Van Vollen- hoven, PHNOM-PENH.	<b>COSTA RICA</b> Trejos Hermanos, Apartado 1313, SAN JOSE.	<b>HAITI</b> Librairie "A la Caravelle", 36 rue Roux, Boite postale III-B, PORT-AU-PRINCE.
<b>AUSTRALIA</b> H. A. Goddard, Ltd., 346 Little Collins St., MELBOURNE.	<b>CUBA</b> Unesco Centro Regional en el Hemisfero Occidental, Calle 5 No. 306 Vedado, Apartado 1350, HAVANA.	<b>HUNGARY</b> Kultura, P.O.B. 149, BUDAPEST 62.
<b>AUSTRIA</b> Wilhelm Frick Verlag, 27 Graben, VIENNA I.	<b>CYPRUS</b> M. E. Constantinides, P.O. Box 473, NICOSIA.	<b>INDIA</b> Orient Longmans Ltd., Indian Mercantile Chamber, Nicol Road, BOMBAY. 17 Chittaranjan Ave, CALCUTTA. 96-A Mount Road, MADRAS. <i>Sub-depots:</i> Oxford Book and Stationery Co., Scindia House, NEW DELHI. Rajkamal Publications Ltd., Himalaya House, Hornby Road, BOMBAY I.
<b>BARBADOS</b> S.P.C.K. Bookshop, Broad Street, BRIDGETOWN.	<b>CZECHOSLOVAKIA</b> Artia Ltd., 90 Ve směřkách PRAQUE 2.	<b>INDONESIA</b> G.C.T. van Dorp & Co., Djalan Nusantara 22, JAKARTA.
<b>BELGIUM</b> Librairie Encyclopé- dique, 7 rue du Luxembourg, BRUSSELS IV.	<b>DENMARK</b> Ejnar Munksgaard Ltd., 6 Norregade, COPENHAGEN K.	<b>IRAQ</b> McKenzie's Bookshop, BAGHDAD.
<b>BOLIVIA</b> Libreria Selecciones, Av. 16 de Julio 216, LA PAZ.	<b>ECUADOR</b> Casa de la Cultura Ecuatoriana, ave. 6 de Diciembre, QUITO.	<b>ISRAEL</b> Blumstein's Book- stores Ltd., 35 Allenby Road, TEL AVIV.
<b>BRAZIL</b> Livraria Agir Editora, rua México 98-B, Caixa postal 3291, RIO DE JANEIRO.	<b>EGYPT</b> La Renaissance d'Egypte, 9 Adly Pasha Street, CAIRO.	<b>ITALY</b> Libraria Commissio- naria G.C. Sansoni, via Gino Capponi 26, Casella postale 552, FLORENCE.
<b>CANADA</b> University of Toronto Press, TORONTO. Periodica Inc., Centre de Publications Internationales, 4234 rue de la Roche, MONTREAL 34.	<b>FINLAND</b> Akateeminen Kirja- kauppa, 2 Keskuskatu, HELSINKI.	<b>JAMAICA</b> Sangster's Book Room, 99 Harbour Street, KINGSTON. Knox Educational Services, SPALDING.
<b>CEYLON</b> Lake House Bookshop, The Associated News- papers of Ceylon Ltd., COLOMBO I.	<b>FORMOSA</b> The World Book Co. Ltd., 99 Chung King Rd., Section 1, TAIPEH.	<b>JAPAN</b> Maruzen Co. Inc., 6 Tori-Nichome, Nihonbashi, TOKYO.
<b>CHILE</b> Libreria Lope de Vega, Calle Estado 54, SANTIAGO DE CHILE.	<b>FRANCE</b> Unesco Bookshop, 19 avenue Kléber, PARIS 16 <sup>e</sup> .	
	<b>GERMANY</b> Unesco Vertrieb für Deutschland, R. Oldenbourg, MUNICH.	



<b>JORDAN</b> Joseph I. Bahous & Co., Dar-ul-Kutub, Salt Road, <b>AMMAN.</b>	<b>PANAMA</b> Agencia Internacional de Publicaciones, Apartado 2052, Plaza de Arango No. 3, <b>PANAMA, R.P.</b>	<b>TANGIER</b> Centre international, 54 rue du Statut.
<b>LEBANON</b> Librairie Universelle, Avenue des Français, <b>BEIRUT.</b>	<b>PERU</b> Libreria Internacional del Perú, S.A., Apartado 1417, <b>LIMA.</b>	<b>THAILAND</b> Suksapan Panit, Arkarn 9, Rajdamnern Ave., <b>BANGKOK.</b>
<b>LUXEMBOURG</b> Librairie Paul Bruck, 50 Grande-Rue, <b>LUXEMBOURG.</b>	<b>PHILIPPINES</b> Philippine Education Co., 1104 Castillejos, Quiapo, <b>MANILA.</b>	<b>TUNISIA</b> Agence Aghlébite, 20 Grande-Rue, Postal address, B.P.2, <b>KAIROUAN.</b>
<b>MADAGASCAR</b> La Librairie de Madagascar, <b>TANANARIVE.</b>	<b>PORTUGAL</b> Publicações Europa- America, Ltda., 4 Rua da Barroca, <b>LISBON.</b>	<b>TURKEY</b> Librairie Hachette, 469 Istiklal Caddesi, Beyoglu, <b>ISTAMBUL.</b>
<b>MALAYAN FEDERA- TION AND SINGAPORE</b> Peter Chong & Co., P.O. Box 135, <b>SINGAPORE.</b>	<b>PUERTO RICO</b> Pan-American Book Co., <b>SAN JUAN 12.</b>	<b>UNION OF BURMA</b> Burma Educational Bookshop, 551-3 Merchant Street, P.O. Box 222, <b>RANGOON.</b>
<b>MALTA</b> Sapienza's Library 26 Kingsway, <b>VALLETTA.</b>	<b>SENEGAL</b> Librairie "Tous les Livres", 30 rue de Thiong, <b>DAKAR.</b>	<b>UNION OF SOUTH AFRICA</b> Van Schaik's Book- store (Pty) Ltd., P.O. Box 724, <b>PRETORIA.</b>
<b>MEXICO</b> Difusora de las publicaciones de la Unesco, 127 Avenida Ejido, Esc. 481, MEXICO, D.F.	<b>SPAIN</b> Aguilar, S.A. de Edi- ciones, Juan Bravo 38, <b>MADRID.</b>	<b>UNITED KINGDOM AND N. IRELAND</b> H.M. Stationery Office, P.O. Box 569, <b>LONDON, S.E.1.</b>
<b>NETHERLANDS</b> N.V. Martinus Nijhoff, Lange Voorhout 9, <b>THE HAGUE.</b>	<b>SURINAM</b> Radhakishun & Co. Ltd. (Book Dept.), Watermolenstraat 36 Paramaribo, <b>SURINAM.</b>	<b>UNITED STATES OF AMERICA</b> International Docu- ments Service, Columbia University Press, 2960 Broadway, <b>NEW YORK 27, N.Y.</b>
<b>NEW ZEALAND</b> Unesco Publication Centre, 7 De Lacy Street, <b>DUNEDIN, N.E.2.</b>	<b>SWEDEN</b> A/B C.E. Fritzes Kungl., Hovkokhandel, Fredsgatan 2, <b>STOCKHOLM 16.</b>	<b>URUGUAY</b> Unesco, Centro de Cooperación Científica para América Latina, Bulevar Artigas 1320, <b>MONTEVIDEO.</b>
<b>NIGERIA</b> C.M.S. Bookshop, P.O. Box 174, <b>LAGOS.</b>	<b>SWITZERLAND</b> Librairie de L'Université, S.A., Case postale 72, <b>FRIBOURG.</b> Europa Verlag, 5 Rämistrasse, <b>ZÜRICH.</b>	<b>VENEZUELA</b> Libreria Villegas Venezolana, Madrices a Marrón, 28, <b>CARACAS.</b>
<b>NORWAY</b> A/S Bokhjornet, Stortingplass 7, <b>OSLO.</b>	<b>SYRIA</b> Librairie Universelle, <b>DAMASCUS.</b>	<b>YUGOSLAVIA</b> Jugoslavenska Knjiga, Terazije 27/II, <b>BELGRADE.</b>
<b>PAKISTAN</b> Ferozsons, 60 The Mall, <b>LAHORE.</b> McLeod Road, <b>KARACHI.</b> 35 The Mall, <b>PESHAWAR.</b>		

### UNESCO BOOK COUPONS

Unesco Book Coupons can be used to purchase all books and periodicals of an educational, scientific or cultural character. For full information please write to:  
**UNESCO COUPON OFFICE, 19 avenue Kléber, Paris 16<sup>e</sup>, France.**

# world handbook of educational organization and statistics

**I**N publishing the *World Handbook of Educational Organization and Statistics*, Unesco provides for students of education and administration a reference book which gives them a general guide and up-to-date statistics on education systems in countries other than their own. The volume contains separate sections for some 56 independent States throughout the world. The core of each national entry is a set of statistics:

*A summary table giving the number of schools, pupils enrolled, teachers.*

*Additional tables (where available) on the age-sex distribution of pupils, enrolment in higher education by faculties, and expenditure on education.*

By themselves, such statistics are difficult or impossible to interpret, and they are therefore introduced in each case by a descriptive text outlining the main features of the country's system of education. A short bibliography supplements information given in this necessarily condensed text. Finally, the school structure is explained in two ways—by a diagram and by a classification table of school types.

A glossary of terms and an index assist reference.

469 pages, cloth bound: **\$9.00**      **51/6**      **2.500 fr.**



*Obtainable through bookshops or direct from Unesco's national distributors (see list).*

**THE JAMMU & KASHMIR UNIVERSITY  
LIBRARY.**

**DATE LOAN**

**Class No. \_\_\_\_\_ Book No. \_\_\_\_\_**

**Vol. \_\_\_\_\_ Copy \_\_\_\_\_**

**Accession No. \_\_\_\_\_**

---

---

---

---



W 128

